

Analysis of Impediments

To Fair Housing Choice

City of Chico, 2025



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I. Introduction

A. Purpose

The U.S. Department of Housing and Urban Development (HUD) requires that all states and cities in the country receiving Community Development Block Grant funds conduct an Analysis of Impediments to Fair Housing Choice every five years. Impediments to fair housing choice are:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices; or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

Impediments can be public (e.g. General Plan actions or Zoning Ordinance requirements), private (e.g. tenant selection policies and procedures), or financial (e.g. discriminatory loaning practices).

Fair Housing Planning is a process to eliminate impediments to fair housing choice. The Analysis of Impediments identifies impediments and provides the substantive basis for Fair Housing Planning. The Analysis of Impediments also provides important information about the current state of local fair housing to policy makers, administrative staff, housing providers, lenders, and fair housing advocates.

B. Process

The Analysis of Impediments involves:

- An analysis of data that describes the local conditions for fair housing choice, including the availability of affordable, accessible housing in a range of unit sizes.
- A comprehensive review of the jurisdiction's laws, regulations, and administrative policies, procedures, and practices.
- An assessment of how those laws, regulations, and administrative policies, procedures, and practices affect the location, availability, and accessibility of housing.

- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes.

The City of Chico undertook the following process to develop the Analysis of Impediments:

- Reviewed HUD guidance on Fair Housing Planning, the 2025-2029 City of Chico Consolidated Plan, the 2020 City of Chico Analysis of Impediments, and the Chapter 6 Constraints Analysis of the 2022-2030 City of Chico Housing Element.
 - Engaged fair housing organizations, other governments, advocacy groups, housing providers, service providers, financial institutions, educational institutions, and the general public, concurrent with Consolidated Plan outreach.
 - Consulted with the following entities in identifying impediments, and appropriate responses, to fair housing:
 - Butte Countywide Homeless Continuum of Care
 - California State University, Chico Basic Needs Program (CSUC)
 - Catalyst Domestic Violence Services
 - City of Chico staff
 - Disability Action Center (DAC)
 - Habitat for Humanity, Butte County
 - Housing Authority of the County of Butte (HACB)
 - Hmong Cultural Center of Butte County
 - Local Housing Providers: Community Housing Improvement Program (CHIP), Chico Housing Action Team (CHAT), True North Housing Alliance, The Jesus Center and Community Action Agency of Butte County, Inc. (CAA)
 - Legal Services of Northern California (LSNC)
 - Northern Valley Catholic Social Services (NVCSS)
 - North Valley Property Owners Association (NVPOA)
 - Youth for Change
4. Reviewed relevant data collected for the 2025-2029 Chico Consolidated Plan.
 5. Collected additional fair housing information: U.S. Census, U.S. Housing and Urban Development (HUD), Home Mortgage Disclosure Act (HMDA), and occupancy data in Section 8, public, and subsidized rental housing.
 6. Drafted the Analysis of Impediments document for City of Chico staff review and public review.

C. Goals

The goals of this analysis are:

- To create an ongoing process for the examination of fair housing in Chico and strive for the elimination of housing discrimination in the jurisdiction.
- To build working relationships among the various agencies involved with housing provision, both public and private.
- To provide opportunities for racially and ethnically inclusive patterns of housing occupancy.
- To promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities.
- To educate both the public and private sector on the need for, and benefits of, fair housing.

II. Jurisdictional Background Data

To be consistent with the 2025-2029 City of Chico Consolidated Plan, this report predominantly uses two data sources: the U.S. Census American Community Survey, in particular the 2020 Decennial Census and 2018-2022 ACS 5-year estimates, and the 2017-2021 HUD Comprehensive Housing Affordability Strategy (CHAS). These time periods are the most recent available from these sources for use with the Consolidated Plan. These data sources provide a great amount of detail that is useful for the analysis of fair housing impediments, such as housing conditions, overcrowding, and housing cost burden, cross-tabulated by race, income, and household size. While more recent data would be preferable, the data sources used are the most relevant and complete available for the Analysis of Impediments.

A. Demographics

As of the 2020 Decennial Census, the City of Chico had a population of 101,475 persons with 44,270 households (U.S. Census, 2020 American Community Survey). Below are tables with key demographic indicators.

	Number of Persons	Percent of Total Population
Persons speaking a language other than English at home	16,207	16.0%
Persons in Poverty	23,277	22.9%
Persons in Poverty in Family Households	13,597	13.4%

Persons in Poverty in non-Family Households	9,680	9.5%
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Source: U.S. Census, 2020 Decennial Census

Race or Ethnicity	Number of Persons	Percent of Total Population
White (not Hispanic/Latino)	67,278	66.3%
Black or African American (not Hispanic/Latino)	1,725	1.7%
American Indian and Alaska Native (not Hispanic/Latino)	913	0.9%
Asian (not Hispanic/Latino)	4,160	4.1%
Native Hawaiian and Other Pacific Islander (not Hispanic/Latino)	304	0.3%
Some other race (not Hispanic/Latino)	608	0.6%
Two or more races (not Hispanic/Latino)	6,291	6.2%
Persons of Hispanic/Latino Origin (any Race)	20,194	19.9%

Source: U.S. Census, 2020 Decennial Census

Age	Number of Persons	Percent of Total Population
0 to 19 years old	24,604	24.2%
20 to 34 years old	30,973	30.5%
35 to 64 years old	32,191	31.7%
65 and older	13,707	13.5%

Source: U.S. Census, 2020 Decennial Census

B. Income

In 2022, the Chico median household income was \$68,195. An estimated 28.3% of Chico households earned less than \$35,000, which is nearly half of the median income. The table below shows that a large majority of Chico households earn middle to low incomes, with 39.1% of households earning less than \$50,000.

Household Income in the Past 12 Months	Number of Households	Percent of Total Households
Less than \$24,999	8,919	19.5%
\$25,000 to \$49,999	8,965	19.6%
\$50,000 to \$74,999	6,724	14.7%
\$75,000 to \$99,999	5,580	12.2%
\$100,000 to \$149,999	7,227	15.8%
\$150,000 or more	8,370	18.3%

Source: U.S. Census, 2018-2022 American Community Survey

C. Employment

As of 2022, Chico had 61,962 employed persons over 16 years of age. The average commute time for these employees was 21.3 minutes (U.S. Census, 2022 American Community Survey 5-year estimates).

The table below shows characteristics of the full-time, year-round employed population in Chico as of 2022. The estimated number of full-time, year-round employed persons in this category was 31,854, which is 51.4% of the total number of employed persons in Chico. The median annual earnings for males working full-time and year-round were \$13,220 higher than for females. The median annual earnings for all males with earnings in 2022 were \$6,252 higher than the median earnings of all females with earnings.

The “management, business, science, and arts occupations” category in the table below encompasses a wide variety of occupations, including the areas of education, social services, and healthcare. Median earnings in this category range from \$30,274 for “arts, design, entertainment, sports, and media occupations” to \$95,201 for “Health diagnosing and treating practitioners and other technical occupations” (2022 ACS 5-year Estimates).

The “service occupations” category includes healthcare support, fire fighters, law enforcement, food preparation and serving, building and grounds maintenance, and personal care. Median earnings in this category range from \$11,557 for “Personal care and service occupations” to \$101,038 for “law enforcement workers including supervisors.”

Occupation	Number of Persons	Median Earnings
Full-time, year-round civilian employed population 16 years and over	33,485	\$56,546
Management, business, science, and arts occupations	15,995	\$59,210
Service occupations	4,134	\$18,106
Sales and office occupations	6,238	\$30,540
Natural resources, construction, and maintenance occupations	2,670	\$43,294
Production, transportation, and material moving occupations	2,652	\$28,529

Source: U.S. Census, 2018-2022 American Community Survey

D. Housing

The Occupation and Household Income tables above point to a need for affordable housing in Chico. In order to afford the 2022 Chico median contract rent of \$1,232 (ACS 2022 1-year estimate), a household must earn at least \$52,700. This assumes paying 30% of income toward rent and utilities with the city’s average monthly utility cost of \$285 (California Public Utilities Commission, 2024). This income is 191% of the median earnings for one worker in service occupations. Housing affordability is even more challenging for part-time and unemployed persons. As of 2022, an estimated 12,390 renter households (53% of all Chico renter households) paid more than 30% of their income toward housing (U.S. Dept of HUD, CHAS data, 2017-2021).

Section NA-10 of the 2025-2029 City of Chico Consolidated Plan illustrates that housing affordability and availability are the most common housing problems in

Chico. This is particularly the case for Low-Income (earning less than 50% of Area Median Income) and Extremely Low-Income (earning less than 30% of Area Median Income) households, as well as elderly and single-person households.

In terms of race and ethnicity, Hispanic/Latino, Black/African American, and American Indian/Alaskan Native households have disproportionate shares of the city's Housing Problems and Severe Housing Problems, as described in Sections NA-15 and NA-20 of the Consolidated Plan. A Housing Problem, as defined by HUD, is a unit that: 1) lacks complete kitchen facilities; 2) lacks complete plumbing facilities; 3) has more than 1 person per room; or 4) has a housing cost burden over 30% of income. A Severe Housing Problem, as defined by HUD, is a unit that: 1) lacks complete kitchen facilities; 2) lacks complete plumbing facilities; 3) has more than 1.5 persons per room; or 4) has a housing cost burden over 50% of income.

City of Chico Race and Ethnicity

Race or Ethnicity	Number of Persons	Percent of Total Population
White (not Hispanic/Latino)	70,424	69.4 %
Black or African American (not Hispanic/Latino)	1,928	1.9%
American Indian and Alaska Native (not Hispanic/Latino)	812	0.8%
Asian (not Hispanic/Latino)	4,972	4.9%
Native Hawaiian and Other Pacific Islander (not Hispanic/Latino)	507	0.5%
Some other race (not Hispanic/Latino)	6,089	6.0%
Two or more races (not Hispanic/Latino)	9,843	9.7%
Persons of Hispanic/Latino Origin (any Race)	18,773	18.5%

Source: U.S. Census, 2018-2022 American Community Survey

The table below shows owner-occupied home purchases by racial and ethnic category for the City of Chico in 2023. The percent of total originations by White non-Hispanic/Latino buyers is 7.2% *higher* than the White non-Hispanic/Latino percentage of the population. The percent of total originations by Persons of Hispanic/Latino Origin is 6.8% *lower* than the Hispanic/Latino percentage of the population.

2023 1st Lien Mortgage Originations for 1-4 Unit Owner-Occupied Home Purchases All Mortgages

Racial or Ethnic Category	Total Number of Originations	Percent of Total Originations
White (not Hispanic/Latino)	768	76.6%
Black or African American (not Hispanic/Latino)	13	1.3%
American Indian and Alaska Native (not Hispanic/Latino)	8	0.8%
Asian (not Hispanic/Latino)	42	4.2%
Native Hawaiian and Other Pacific Islander (not Hispanic/Latino)	1	0.1%
Persons of Hispanic/Latino Origin (any Race)	117	11.7%
Unknown/Not applicable/Multi-racial (not Hispanic/Latino)	54	5.4%

Total	1,003	100%
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Source: Consumer Financial Protection Bureau, Home Mortgage Disclosure Act 2023 Data for the City of Chico

Comparing this 2025 analysis to 2017 HMDA data and 2011-2015 U.S. Census American Community Survey data used in the 2020 City of Chico Analysis of Impediments (table below), it is noteworthy that 1) mortgage originations have dropped for all groups by more than half; 2) persons of Hispanic/Latino origin have grown as a percentage of the population; and 3) White persons have reduced as a percentage of the population. The changes over these four years in percentage of originations from White and from Hispanic/Latino households have increased/decreased proportionally with their changes in demographic representation.

2017 1st Lien Mortgage Originations for 1-4 Unit Owner-Occupied Home Purchases
All Mortgages

Racial or Ethnic Category	Total Number of Originations	Percent of Total Originations
White (not Hispanic/Latino)	1,843	78.7%
Black or African American (not Hispanic/Latino)	18	0.8%
American Indian and Alaska Native (not Hispanic/Latino)	20	0.9%
Asian (not Hispanic/Latino)	85	3.6%
Native Hawaiian and Other Pacific Islander (not Hispanic/Latino)	9	0.4%
Persons of Hispanic/Latino Origin (any Race)	194	8.3%
Unknown/Not applicable	174	7.4%
Total	2,343	100%

Source: Consumer Financial Protection Bureau, Home Mortgage Disclosure Act 2017 Data for the City of Chico

The table below shows the total number of Higher Price Originations and Percent of Total Originations by racial or ethnic category, for the same types of loans as shown above. Only 625 of 1,003 records could be considered for this analysis due to lack of data on race, ethnicity or both for many records. Higher Priced Mortgages are defined by the Consumer Financial Protection Bureau as loans with annual percentage rates that exceed the average prime offer rate for a comparable transaction by at least 1.5%. The percentage of Higher Price Originations was higher for Persons of Hispanic/Latino Origin homebuyers than for White homebuyers; other races were not meaningfully analyzed due to small sample sizes.

1st Lien Mortgage Originations for 1-4 Unit Owner-Occupied Home Purchases
Higher Priced Mortgages

Racial or Ethnic Category	Total Number of Higher Price Originations	Percent of Total Originations by Racial/Ethnic Category
White (not Hispanic/Latino)	45	8.3%
Black or African American (not Hispanic/Latino)	0	0%
American Indian and Alaska Native (not Hispanic/Latino)	0	0%
Asian (not Hispanic/Latino)	0	0%

Native Hawaiian and Other Pacific Islander (not Hispanic/Latino)	0	0%
Persons of Hispanic/Latino Origin (any Race)	10	12.3%
Unknown/Not applicable	10	
Total	65	

Note: Higher Priced Mortgages are defined by the Consumer Financial Protection Bureau as loans with annual percentage rates that exceed the average prime offer rate for a comparable transaction by at least 1.5%
Source: Consumer Financial Protection Bureau, Home Mortgage Disclosure Act 2023 Data for the City of Chico

The table below shows the percent of total originations denied or not accepted by racial or ethnic category for the City of Chico in 2023. Persons of Hispanic/Latino Origin had higher rates of denial than White applicants; other races represented sample sizes too small to draw conclusions.

2023 1st Lien Mortgage Applications Denied or Not Accepted for 1-4 Unit Owner-Occupied Home Purchases

Racial or Ethnic Category	Total Number of Denials	Percent of Total Originations by Racial/Ethnic Category
White (not Hispanic/Latino)	76	9.7%
Black or African American (not Hispanic/Latino)	0	0%
American Indian and Alaska Native (not Hispanic/Latino)	1	9.1%
Asian (not Hispanic/Latino)	2	5.3%
Native Hawaiian and Other Pacific Islander (not Hispanic/Latino)	0	0%
Persons of Hispanic/Latino Origin (any Race)	15	12.8%
Unknown/Not applicable	1	11.1%
Total	94	

Source: Consumer Financial Protection Bureau, Home Mortgage Disclosure Act 2023 Data for the City of Chico

III. Evaluation of Jurisdiction's Current Fair Housing Legal Status

The City of Chico is not currently named in any fair housing lawsuits.

IV. Identification of Impediments to Fair Housing Choice

A. Public Sector

This section focuses on possible actions or omissions in the public sector (including public housing, community development, transportation, and community services) that may affect housing choice. A determination should be made to see if any action or omission is influenced by public policies, practices, and procedures such as those regarding site selection for the construction of public and private housing, building, occupancy, and health and safety codes.

1. Zoning and Site Selection

To adhere to fair housing law, planning and building policies and codes should avoid restricting housing choices in the following ways:

- High concentrations of low-income housing;
- Limited availability of housing affordable to low-income and moderate-income households; and
- Exclusions or limitations on special needs housing, including shelter and housing for homeless persons, persons with disabilities, seniors, and racial and ethnic minorities.

This section analyzes how government policy and regulations may affect these restrictions on housing choice. The City of Chico 2022-2030 Housing Element and 2025-2029 Consolidated Plan provides extensive detail on this topic.

High concentrations of low-income housing

The City of Chico belongs to the Butte County Association of Governments (BCAG), which guides regional planning. BCAG produces, in accordance with State law, a Regional Housing Allocation Plan. This plan directs each jurisdiction within the County to facilitate the production of its fair share of housing affordable to all income levels. The table below lists the final allocations from the most recent plan, BCAG's 6th Cycle RHNA, which covers the period of December 31, 2021, to June 15, 2030. The City of Chico was directed to facilitate the production of 1,101 very low-income, 507 low-income, 770 moderate-income, and 1,110 above moderate-income housing units, for a total of 3,488 units, or approximately 22.5% of the County's required 15,506 units (county totals include fire rebuild allocation, which increases the County total but does not impact the City of Chico's RHNA total).

TABLE 10 TOTAL ALLOCATION BY INCOME TIER

Jurisdiction	Very Low		Low		Moderate		Above Moderate		Total
	%	Housing Units	%	Housing Units	%	Housing Units	%	Housing Units	Housing Units
City of Biggs	44.4%	36	1.2%	1	14.8%	12	39.5%	32	81
City of Chico	31.6%	1,101	14.5%	507	22.1%	770	31.8%	1,110	3,488
City of Gridley	34.2%	118	11.9%	41	8.7%	30	45.2%	156	344
City of Oroville	27.4%	171	1.0%	6	11.7%	73	60.0%	375	625
Town of Paradise	5.3%	383	5.2%	374	18.4%	1,319	71.1%	5,103	7,179
Unincorporated	7.2%	272	9.5%	361	26.3%	998	56.9%	2,157	3,788
County Total	13.4%	2,081	8.3%	1,290	20.7%	3,202	57.6%	8,933	15,506
Overall HCD Requirement	13.4%	2,081	8.3%	1,290	20.7%	3,202	57.6%	8,933	15,506

Source: Butte County Association of Governments, 2020

This report uses Geographic Information Systems (GIS) data to analyze concentrations of low-income housing. The Appendix has maps showing income and demographic information for the City of Chico that are also detailed in the 2025-2029 Consolidated Plan. The Low-Income Households Map shows two census tracts (5.02 and 6.04), west of the California State University, Chico (CSUC) campus, with over 50% low-income households. Census Tracts with more than 40% low-income households include 6.03, 10.00, 12.00, and 13.00, all in the south and west parts of the city.

The Extremely Low-Income Households Map is similar to the Low Income Households Map, showing Census Tracts 5.02, 6.03, 6.04 and 10.00 with the highest concentrations of extremely low-income households at greater than 30% of households. Other census tracts surrounding these census tracts, in the south and west parts of the city are 20% to 30% extremely low-income. These census tracts constitute some of the oldest neighborhoods in Chico, where home prices and rents are less expensive than elsewhere in the city. Many of the residents are students, as the census tracts are located near CSUC.

These geographic characteristics are strongly influenced by market trends, as older structures and the abundance of student residents provide less permanence to the lower income neighborhoods.

The City of Chico does not have large concentrations of racial minorities (70.3% of the population is White). Census Tract 5.02 is 50% White non-Hispanic/Latino, and includes 32% Hispanic/Latino and 10% Asian persons. No other census tracts are less than 50% White non-Hispanic/Latino.

An estimated 19.9% of Chico residents are of Hispanic/Latino origin. The Persons of Hispanic Origin Map in the Appendix shows census tracts with the highest Hispanic/Latino concentrations. Census Tract 13.00 has the highest percentage of

people of Hispanic/Latino origin with 27.4%, followed by Census Tracts 5.01, 5.02, and 6.04 on the west end of the city, and Census Tracts 2.01, 2.02, 4.01 and 4.02 on the north end of the city, and 11.00 and 13.00 on the south end, each with 20%-25% of residents identifying as Hispanic/Latino.

The percentage of persons who are non-Hispanic/Latino non-White in the city is very low. The majority of persons in this category are Asian or two or more races. The Asian Persons Map in the Appendix shows five census tracts that have Asian persons as more than 7.5% of the population, with the rest of the city's census tracts having lower percentages of Asian persons. The Persons of Two or More Races Map in the Appendix shows that only Census Tracts 5.01 in the west of the city, and 9.01 in the east of the city, have more than 7.5% of residents as two or more races, with the rest of the city's census tracts having lower percentages of multi-racial persons.

In reviewing the May 2023 City Zoning Map (<https://chico.ca.us/documents/Departments/Community-Development/Geographic-Information-Systems/ZoningMap.pdf>) medium, medium-high and high density residential areas and commercial areas are located throughout the city on commercial corridors such as Esplanade Avenue, Forest Avenue, Highway 32 East, Nord Avenue/Walnut Street, and Rio Lindo Avenue. However, areas immediately to the west and north of CSUC have high concentrations of land zoned for higher density residential relative to the rest of the city. While this zoning concentration follows historic development patterns that responded to market student housing demands, future city zoning plans should take this concentration into consideration in order to maintain community balance of zoning districts throughout the city.

The Affordable Housing Projects in Chico Map in the Appendix shows that low-income, publicly assisted projects are spread throughout most of the city. However, there are higher concentrations in the southeast and south-central portions of the city. The Housing Authority of the County of Butte (HACB) and the City of Chico should take this into consideration to proactively avoid high concentrations of low-income housing.

During interviews for this report, staff of California State University, Chico (CSUC); Catalyst Domestic Violence Services; Chico Housing Action Team; The Jesus Center, True North Housing Alliance; Disability Action Center; and Youth for Change noted their program participants tend to live in these areas of the city: Chapman-Mulberry neighborhood; the north, south, and west neighborhoods around CSUC; Nord Avenue; and Southwest Chico. Program participants also tend to live in affordable housing managed by the Community Housing Improvement Program (CHIP).

Limited availability of housing affordable to low-income and moderate-income households

As shown in the City of Chico 2022-2030 Housing Element, Figure 32.3, the city had 1,698 permanently affordable, subsidized rental units at the time the Housing Element was adopted. The Chico 2030 General Plan and Municipal Code encourage affordable housing development in a number of ways. City actions and policies to encourage affordable development are described in the 2022-2030 Housing Element, Chapter 6: Constraints Analysis, and section MA-40 of the 2020-2024 City of Chico Consolidated Plan and summarized below.

- **Comprehensive Analysis:** Conducted an in-depth analysis of governmental constraints as part of the 2022-2030 Housing Element.
- **Flexible Zoning:**
 - Residential zoning districts allow a wide range of housing types and densities (7 to 70 units per acre).
 - Encouraged mixed-use development and special housing types (e.g., live/work units, boarding houses).
 - Created Traditional Neighborhood Development (TND) zones to promote diverse housing options.
- **Parking Standards:** Reduced parking standards and allowed further reductions for small units with rent restrictions for low-income households.
- **Supportive Housing:** Expanded opportunities for emergency shelters, supportive, and transitional housing by allowing them as permitted uses in all residential zoning districts. Transitional and permanent supportive housing is allowed by right in all residential zones.
- **Streamlined Improvement Standards:** Analyzed design criteria to ensure standards do not present undue burdens on developers.
- **Development Fees:**
 - Conducted a nexus study to justify development fees, ensuring they are lower than many comparable jurisdictions.
 - Reduced impact fees for studio/single-room occupancy and one-bedroom units to 70% of standard fees.
- **Permit Processing:**
 - Code changes to allow housing use by Right without discretionary approvals.
 - Simplified permit processing and provided informal consultations for potential projects to address issues early.
 - Initiated modifications specifically for affordable housing projects to comply with State law.
- **Housing for People with Disabilities:** Adopted provisions to support residential care homes for persons with disabilities, ensuring no undue regulatory barriers.
- **Zoning Code Updates:**
 - Enacted comprehensive updates to remove barriers to housing production, including increased residential densities.
 - Updated Accessory Dwelling Unit (ADU) regulations to comply with State laws and reduce fees.

- Implementation of a Streamlined Approval process for housing projects per State Senate Bill 35.
- Implementation of the recently enacted State Senate Bill 9-California Housing Opportunity and More Efficiency Act which allows for more dense development in single-family residential zones.
- **ADU Incentives:**
 - An Accessory Dwelling Unit (ADU) ordinance in compliance with State laws to encourage development of these units and updated comprehensive submittal package with reduced submittal fee.
 - City utilized grant funds to design 13 free pre-approved ADU plans (including one accessible unit design) that allow for permit-streamlining and offer significant savings for the interested ADU owner.
 - ADU impact fees have been reduced; owner occupancy requirement for primary units has been removed for the majority of the City.
 - City finalized a 2-story ADU plan with parking below and the residence above to add to the ADU catalog and has a promotional video highlighting the ADU plans on the City's website.
- **Density Bonus Law:** Updated the local Zoning Code to incorporate the State Density Bonus Law, allowing increased density and concessions for projects with affordable units. Housing density bonus or incentives for development of housing for very low, low or moderate- income households - if the prescribed percentage of units are made affordable, developers are eligible for a density bonus of up to 50% and may request up to three incentives or concessions.

These measures reflect the City of Chico's commitment to facilitating affordable housing development and addressing local housing needs.

The City's 2030 General Plan includes various planned measures to encourage the creation of housing for people with special needs:

- Expedite project processing and reduce regulatory barriers to the development of specialized housing by working cooperatively with non-profit, charitable, and educational organizations.
- Encourage the development of a variety of housing options for seniors, youth, those with disabilities, and people experiencing homelessness by partnering with developers on the funding of these units.
- Continue Tenant Based Rental Assistance (TBRA) to serve an estimated 120 households at risk of homelessness by providing deposit and monthly rental assistance for up to 24 months. This program provides assistance to very-low, extremely-low-income and special needs families at-risk of homelessness, who are working towards self- sufficiency with a locally established social services provider. The City contracts with the Housing Authority of Butte County to administer this program.
- Complete a feasibility study of Single Room Occupancy (SRO) or other small unit developments, especially through the conversion of motels/hotels which

are vacant or underutilized and assist in identifying potential funding resources.

- Revise the Municipal Code Section 19.24.040 so that compatibility requirements do not apply to residential projects for persons with disabilities.
- Amend the Municipal Code to include a Reasonable Accommodation procedure for persons with disabilities to request a variance from zoning or building code standards without requiring discretionary review.

Illustrated in MA-30 of the 2020-2024 Chico Consolidated Plan, there are 1,412 total beds for homeless households in service or under development, including 1,079 emergency shelter and transitional housing beds, and 288 permanent supportive housing beds, with 45 additional permanent supportive housing beds under development. The 2023 Point In Time Count, a federally required activity estimating the number of unhoused individuals across the nation, showed 925 unhoused individuals in the city of Chico, forming the majority of the 1,237 total unhoused individuals across Butte County.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	88	0	120	81	0
Households with Only Adults	609	35	210	164	21
Chronically Homeless Households	0	0	0	35	0
Veterans	0	0	15	4	0
Unaccompanied Youth	4	0	2	4	0

Source: HUD 2022 Continuum of Care Homeless Assistance Programs Housing Inventory Count Report

Updates to the Zoning Code since 2015

As detailed in the 2022-2030 Housing Element, the following is a description of revisions to the Zoning Code since 2020 that have been enacted to remove barriers to the production of housing, which include:

- **Goal 3, “Support production of housing that is affordable to low-income households” includes actions to:** update the City’s Density Bonus ordinance as allowed by AB 2345; incentivize the production of Accessory Dwelling Units (ADUs) that can be offered at affordable rents to low- to moderate-income households per AB 671; update the City’s portfolio of pre-approved ADU building plans to the new California Building Code standards as those standards are updated by the State; and investigate and monitor the impact of short-term rentals on the availability of both rental housing and single-family homes for potential homebuyers. Two significant new actions that revise the zoning code include: 1) an allowable increase in density for affordable multifamily projects in zoning districts that allow up to 20-22 units per acre, to 30 units per acre; and 2) by-right permitting of residential uses in the Industrial Office Mixed Use (IOMU) zone, allowing densities of up to 35 units per acre.
- **Action 3.3.6:** In June 2024, the City amended the Residential and Commercial Land Use Tables in the City’s Municipal Code to add a footnote which states that for the residential and commercial zoning districts where the allowable density is 20 or 22 dwelling units per acre, multi-family units are permitted to develop up to 30 dwelling units per acre if a minimum of 15% of the units are deed restricted housing affordable to low-incomes at or below 80% of AMI.
- **Action 3.3.7:** In June 2024, the City amended its Municipal Code to allow residential uses by-right in the Industrial Office Mixed Use (IOMU) zoning district, with allowable densities of up to at least 35 units per acre.
- **Action 4.2.4:** In June 2024, the City amended Table LU-2 of the General Plan and Section 19.52.080(D)(1) of the Municipal Code to clarify that all residential and commercial zoning districts with the -COS zoning overlay benefit from higher allowable residential densities, not just sites with mixed use designations.
- **Action H.4.6.2:** The City amended tables in the Municipal Code to make transitional and supportive housing an explicitly permitted use in all zoning districts that allow residential development.

2. Residential Readiness Code Amendments

City-initiated amendments to Title 19 of the Chico Municipal Code (Land Use and Development Regulations) to implement numerous 2022 Housing Element Actions, create consistency with policy direction in the General Plan, resolve minor inconsistencies in the Code, formalize interpretations made by the Community Development Director, respond to new State legislation, and clarify terms and

definitions. A corresponding amendment to Table LU-2 in the Land Use Element of the General Plan is proposed for consistency with changes made to Title 19. The proposed code amendments also address direction by the City Council to; 1) institute efficiencies in permitting processes for projects requiring architectural review; 2) provide for greater flexibility in parking standards for residential projects proposed in the Downtown Parking Area; 3) adopt special restrictions on the sale and service of alcohol by Council resolution; and 4) clarify language regarding commercial cannabis regulations. The proposed amendments represent Phase 1 of a planned multi-phase Code Amendment program and are referred to as the “Residential Readiness” program, as the majority of amendments are intended to streamline existing processes, reduce barriers for residential development and facilitate housing production. Phase 2 of the Residential Readiness amendments were recently approved by Council in April 2025.

In 2019, the City Council approved numerous amendments to the City’s Zoning Code that address direction by Council to gain efficiencies in implementation of the Code as called for by the General Plan, including and administrative use permit process, greater flexibility related to nonconforming residential uses and structures, and incentives for affordable housing, including ADU amendments.

3. Accessory Dwelling Units Stimulus Effort

Accessory Dwelling Units (ADUs) have been a focus of the City both before and after the Camp Fire and are also an area of increased legislative activity by the State of California. ADUs represent a more affordable market-rate housing option due to their small size and reduced cost of land and fees. The City has taken numerous steps to promote the development of ADUs, some actions were required by new State laws, and some the City took in response to its local housing crisis after the Camp Fire. These have included:

- Reducing the ADU development impact fees by 50%;
- Eliminating development impact fees for ADUs less than 750 square feet (sf);
- Eliminating sidewalk requirements where none exist on connecting sides;
- Allowing ADUs on multi-family lots under certain conditions;
- Allowing up to three ADUs on a single-family lot under certain conditions;
- Establishing a de facto amnesty program for unauthorized ADUs;
- Providing the community with free preapproved ADU plans developed by a local architect, with numerous floor plans and formats available. These plans are permit ready, meaning a streamlined permit process and significant savings for an interested property owner.

In addition to these measures, a new program to incentivize the development of ADUs with affordable rents to Very Low-, Low-, or Moderate-Income households is outlined in Action 3.3.3 of the Housing Element 2022-2030 Chapter 3 Housing

Program: “Explore funding sources that can be used to subsidize the cost of construction for ADUs that offer affordable rents for very low-, low- or moderate-income households, with recorded regulatory restrictions on rents. If determined feasible, implement a subsidy program.”

4. Update to State Density Bonus Law

California’s Density Bonus Law (Government Code Section 65915) allows developers to request density bonuses and concessions based on the percentage of affordable units in the proposed project. The City of Chico’s Density Bonus provision is located in Chapter 19.62 of the Municipal Code. This provision needs to be updated to reflect the provisions of AB 2345 as described above. An action to update the City’s Density Bonus policy is included in the Chapter 3 Housing Program (Action 3.3.1), which updated the City’s Density Bonus ordinance to increase the allowable density bonus for affordable housing from 35% to 50% per AB 2345. Projects with all units restricted to affordable rents will be eligible for a density bonus of up to 80%. The City will further update the Density Bonus ordinance to comply with AB 1287, which went into effect on January 1, 2024. AB 1287 provides developers of Moderate-Income affordable units with the opportunity to receive density bonuses.

Exclusions or limitations on special needs housing, including shelter and housing for homeless persons, persons with disabilities, seniors, and racial and ethnic minorities.

As described above, the City’s zoning code does not unfairly exclude emergency shelters, housing for homeless persons, or special needs housing. Also as described above, higher density and small lot housing is encouraged in many zoning districts, which makes senior housing, as well as affordable housing in general, more feasible. Furthermore, the City’s planning policy and regulations meet fair housing requirements, and do not encourage limitations to housing choice for racial or ethnic minorities.

The City has expanded opportunities for emergency shelters, supportive, and transitional housing by allowing them as permitted uses in all residential zoning districts. It has also adopted provisions to support residential care homes for persons with disabilities, ensuring no undue regulatory barriers.

The City’s zoning code does not limit the development of housing that is accessible to persons with disabilities. Residential care homes for six or fewer residents are permitted as a matter of right in all residential districts, as well as the Residential Office and Neighborhood Commercial districts. Residential care homes for seven or more persons are permitted in most residential districts, the Office Residential District, and commercial districts with a use permit. There are no development standards that regulate the concentration or spacing of residential care homes.

The City's Municipal Code allows the Community Development Director to approve modifications or exceptions to the regulations, standards and practices for the siting, development and use of housing or housing related facilities, or other matters related to zoning and land use, that would eliminate regulatory barriers and provide an individual with a disability an equal opportunity to housing of his or her choice. Such examples of code exceptions granted under this authority include minor deviations in front setbacks to allow direct-access wheelchair ramps at residential dwellings and allowing the keeping of animals not typically allowed for emotional support.

To better understand the needs of racial/ethnic minorities and persons with disabilities, organizations that work with these populations were interviewed for this study. Disability Action Center, Hmong Cultural Center of Butte County, and Northern Valley Catholic Social Service provide services for people with disabilities, and the Hmong and Hispanic/Latino communities, respectively. Due to their role in providing both public housing units and Housing Choice Vouchers, the Housing Authority of the County of Butte was also interviewed. During interviews conducted for this report, staff described barriers to housing their client's experience.

Disability Action Center (DAC) staff noted that their clients with disabilities experience challenges with finding housing, and increasingly so in recent years. These barriers entail: lack of income, including lack of employment opportunities and difficulty qualifying for government subsidy programs; increase in rental prices; lack of funds for a deposit; lack of funds for utility bills, which are more expensive in both older homes and cheaper housing; finding homes that are accessible for wheelchairs and mobility devices; and finding housing that will accept pets, especially larger dogs. People with disabilities are also likely to have higher healthcare expenses and higher rates of needing to access public transportation.

The Hmong Cultural Center of Butte County (HCCBC) staff stated challenges Hmong people experience in finding housing including: high rental market prices, long waiting lists, and difficulty in navigating communication, applications, and paperwork if they are not fluent in English. A significant proportion of the Hmong community in Butte County lives in Section 8 public housing, and HCCBC staff suggested hiring more bicultural and bilingual Hmong staff at the Housing Authority of the County of Butte to provide culturally appropriate translations and resources for the underserved Hmong community.

Northern Valley Catholic Social Service (NVCSS) staff noted their Hispanic/Latino clients experience barriers to housing, including: language and communication, especially when onsite property managers are not bilingual; lack of documentation such as a social security number; concerns regarding legal status; lack of access to a computer and internet for online housing documents; lack of established credit history due in part to larger proportions of the community using cash instead of credit; lack of rental history due in part from renting from friends or relatives; and

lack of income such as three times the rent (some families will double-up and choose to live together in order to fulfill income requirements).

Once Hispanic/Latino households obtain housing, additional barriers remain such as a hesitancy to ask questions, complain, or submit maintenance requests due to fear of causing issues, losing housing (eviction), or due to fear regarding legal status. These additional barriers are more challenging in personal rentals run by individual landlords in which NVCSS staff noted housing is less likely to be maintained or up to date.

Housing Authority of the County of Butte (HACB) staff noted that speaking a language other than English, Spanish or Hmong can be a barrier to housing, as landlords often do not want to make an effort to communicate with people who speak other languages. For example, there are now immigrants from Afghanistan living in Chico who speak Farsi, and they have encountered issues in working with landlords. It was also noted that if a disability makes it difficult to use a computer, the requirement to fill out an online application is also a barrier.

2. Community Revitalization

One aspect of fair housing choice is neighborhood revitalization and the provision of good services to areas in which low- and moderate-income families live. Racial and ethnic minorities, who are especially concentrated in such neighborhoods, will benefit from better neighborhood environments so critical to good housing.

Frequently, the quality or extent of public services and facilities varies dramatically among residential neighborhoods. Public services and facilities include schools, recreational facilities and programs, social service programs, parks, roads, transportation, street lighting, trash collection, street cleaning, crime prevention, and police protection activities. Lower-income, densely populated residential areas too often lack the level and array of services that are provided in less impacted, more affluent neighborhoods. Jurisdictions should strive to equalize services as part of Fair Housing Planning.

For purposes of this Chico Consolidated Plan analysis, a "concentration" of racial or ethnic minorities, or low-income families, are census tracts with at least one of the following characteristics:

- less than 50% of households are White non-Hispanics
- more than 50% of households are Low Income
- more than 30% of households are Extremely Low Income

The MA-50 section of the 2025-2029 Chico Consolidated Plan provides details on where the concentrations of racial or ethnic minorities or low-income families are found in Chico. In summary:

- In general, the downtown and areas adjacent to the south and west have more racial and ethnic minorities than areas on the east and north sides of the City. Census Tract 5.02 is the only census tract where less than 50% of the population is non-Hispanic White (49.58%). Census Tract 5.02 is located adjacent and to the west of the California State University Chico campus, surrounding Nord Avenue and generally south of West Sacramento Avenue
- Census Tracts with 50% or more of households earning less than \$50,000 are concentrated in the central, west, and south parts of the City (Census Tracts 6.03, 10.00, 6.04, 5.02, 13.00, 12.00, 11.00). Four census tracts in the downtown and adjacent to the northwest around the Chico State campus have more than 60% of households earning less than \$50,000, including Census Tracts 6.03, 10.00, 6.04, and 5.02.
- Census Tracts with 30% or more of households earning less than \$25,000 are concentrated in the downtown and adjacent census tracts to the northwest, north, and south (Census Tracts 10.00, 5.02, 6.04, 6.03, and 12.00).
- Census Tract 5.02 is the only census tract that has concentrations of racial or ethnic minorities, Low Income households, and Extremely Low-Income households, where “concentration” is defined as above. All of the census tracts that have concentrations of Extremely Low-Income Households also have concentrations of Low-Income Households: 5.02, 6.03, 6.04, 10.00, and 12.00.

Census Tract 13.00, which includes the Chapman Mulberry-Neighborhood, was not identified as a census tract with concentrations of Low-Income households in this analysis, although it has been identified in previous Consolidated Plans. According to the 2022-2030 Housing Element, Capital improvement projects in Census Tract 13 have included a pedestrian/bicycle connection, corridor bikeway facility, road rehabilitation, and sewer mains and laterals for residential connections. Proposed projects include additional road rehabilitation and corridor bikeway facility as well as congestion relief and sewer trunk lines. In December 2021, the Chapman Park Renovation Project was granted \$2.9 million through Proposition 68 for construction of a new splash pad water recreation and play_area, walking path with lighting, fencing, and restrooms. While Census Tract 13.00 continues to have a high proportion of Low-Income resident households, concentrations of these households have been declining in recent years.

These changes in concentrations of Low Income and Extremely Low-Income households within Census Tract 13.00 could provide a model for effecting similar changes in Census Tracts 5.02, 6.04, 6.03, 10.00, and 12.00. The Chapman-Mulberry Neighborhood that is located within Census Tract 13.00 has benefitted from a number of public investments in recent years, including: the construction of new homes for Low Income first-time homebuyers by Habitat for Humanity of Butte

County in the area of 16th to 20th Streets, between C and D Streets; new street and gutter infrastructure in this area; new homes for Low Income first-time homebuyers on 11th Street just east of Park Avenue; and new pathway and road improvements around Chapman Elementary School as part of the Safe Routes to School Program. The Chapman-Mulberry Neighborhood is also home to the Dorothy F. Johnson Community Center, which provides community-based programs, space for community gatherings, and recreational opportunities for youth. Targeting HUD entitlement funds toward affordable home ownership and infrastructure projects in Low Income neighborhoods has proved to be effective in addressing concentrations of poverty, and the City may want to replicate this strategy in key areas within Census Tracts 5.02, 6.04, 6.03, 10.00, and 12.00.

Census Tracts 5.02 and 6.04, west of the California State University, Chico (CSUC) campus, have the highest proportions of low-income and extremely low-income households in the city. Households in these census tracts also have the highest housing cost burdens.

Census Tracts 5.02 and 6.04 are near the CSUC campus. The large percentage of college students living in this area drives the high share of renter tenancy, the high proportion of rent-burdened households, and low median incomes. However, the CSUC campus is also an asset to these neighborhoods by providing opportunities for employment and college/community collaborations to address neighborhood problems. Chico High School, Citrus Elementary and Enloe Hospital are also near these census tracts, while not within their boundaries.

The City of Chico's Capital Projects map currently does not show any projects in design or development in Census Tract 5.02. However, the City will consider the use of CDBG funds, whenever available and appropriate to supplement public works projects that need additional funding, such as roadway rehabilitation and beautification of the bike path connection from SR 32 to California State University Chico.

In Census Tract 6.04, the City is in the design phase for comprehensive streetscape improvements along North Cedar Street with \$1.24 million allocated for engineering in FY 2024-25 from a planning grant from the state (REAP 2.0). It includes roadway reconstruction, storm drain and ADA improvements, and new curb, gutter, and sidewalk. The City also is in a design phase for improvements to the West Sacramento Ave. railroad crossing.

The Hegan Lane Congestion Relief project will focus on reconstructing parts of Hegan Lane and Midway, installing bicycle lanes along Otterson Drive, roundabouts at key intersections, and a new traffic light at E. Park Avenue and Scott Avenue (Census Tract 11). Finally, the P-18 Trunkline project, slated for 2025, will install sewer trunk lines in the southern and southeastern sections of Chico (Census Tracts 11,12,13)

Fair Housing Impediment 1: High concentration of racial minorities in Census Tract 5.02, which also has high concentrations of low-income households, renter households, housing cost burdens, substandard housing, and inadequate public improvements.

Fair Housing Objective 1: Partner with legal services/fair housing organizations to hold public workshops in Census Tract 5.02 on fair housing, the Americans with Disabilities Act, and tenant rights. Provide information to tenants in these areas so that they can advocate for their housing rights and connect to resources.

This Community Revitalization section analyzes the following with respect to fair housing in the City of Chico:

- The extent to which municipal and other services (transportation, social services, schools, health services, hospitals, banks, and other lending institutions) are equally distributed throughout the city.
- Efforts to link transportation, job creation, and housing opportunities for low-income households.
- Efforts to revitalize or enhance lower income neighborhoods.
- Financial resources to fund affordable housing, community facilities and services, and small and disadvantaged business opportunities in neighborhoods in need of revitalization.

The extent to which municipal and other services (transportation, social services, schools, health services, hospitals, banks and other lending institutions) are equally distributed throughout the city.

Transportation: Most of the City of Chico, particularly lower income neighborhoods, is relatively compact, with walkable blocks and streets that are accessible to a comprehensive transit system—the B-Line Bus System. The centrally located transit center connects riders to all parts of the city, as well as the nearby towns of Biggs/Gridley; Magalia/Paradise; and Oroville/Palermo. The B-Line Bus System includes Paratransit, which is available throughout the city. Disability Action Center (DAC) staff noted in an interview for this report that the cost of Paratransit can be a barrier for persons with disabilities.

Social Services: The City of Chico is home to a wide variety of social services, with offices distributed throughout the city. The County Departments of Employment and Social Services and Behavioral Health have service offices located in the east and central parts of the city.

Schools: Elementary, Junior, and High schools are evenly distributed throughout the community, serving those neighborhoods with a large enough child population to

justify their need. Due to Chico's relatively small physical size, ease of access is not a significant issue at this time.

Hospitals and Health Services: There is presently one hospital to serve the community's needs, Enloe Medical Center. This facility is located in one of the oldest residential areas of the city, near some of the city's lowest income neighborhoods. There are also a number of walk-in medical care facilities situated in various locations around the city.

Banks: Banks and other financial services are scattered in commercial areas around the community. There are concentrations in the Downtown Central Business Core, North Valley Plaza Mall, Chico Mall / Skyway, as well as other commercial strip locations around town. 3CORE is a tri-county Community Development Financial Institution that is based in Chico on the east side of the city, with a mission of providing capital and financial services to low-income households and communities.

Efforts to link transportation, job creation, and housing opportunities for low-income households

As described in Section IV.A.1, the City's 2030 General Plan lays out a broad strategy to connect housing to jobs and reduce vehicle trips. This strategy has been implemented through the Municipal Code, and in particular, the Zoning Code. Key aspects of the City's "smart growth" strategy include:

- A "Green Line" which limits development in agricultural areas to the west of the city, thereby focusing new growth on infill and redevelopment;
- A focus on infill development, with higher densities and greater zoning flexibility to encourage development in the downtown, community and neighborhood centers, and along transit/commercial corridors;
- A Corridor Opportunity Site Overlay Zone that encourages higher density and mixed uses along underutilized transit corridors. The overlay zone allows for residential use above ground floor office or retail, and reduced parking standards;
- A Traditional Neighborhood Development Zoning District, encompassing 271 acres, intended to create compact and complete neighborhoods with a mix of residential and non-residential uses within walking distances of one another; and
- Master-planned new growth areas within the city limits that emphasize a mix of uses, walkable neighborhoods, and easy access to jobs, transportation, recreation, and retail and community amenities.

- The Corridor Opportunity Site (COS) Overlay Zone. The COS overlay zone is intended to encourage mixed use development of medium- and high-density residential and commercial land uses and to promote increased residential density, and transportation patterns that do not rely solely on the automobile. Residential projects within the COS must be developed at or above the midpoint of the allowable density range and are allowed to develop at up to 70 units per acre. Action 4.2.5 of the 2022-2030 Housing Element will investigate opportunities to apply the Corridor Opportunity Site (COS) overlay to additional areas and corridors within the City, with an emphasis on Transit Priority Areas and Major Transit Stops.
- Sites identified as appropriately zoned for affordable housing development in the Site Inventory of the 2022-2030 Housing Element are predominantly those with close proximity to public transit. This amenity is a requirement of the Low Income Housing Tax Credit program, which provides the majority of funding for affordable housing in Chico.
- Several actions were added to the 2022-2030 Housing Element to address improving access to jobs and transportation for low-income households:
 - Action 1.6.1: Use State/Federal grant funds available to the City to support infrastructure needs for planned affordable housing projects. To the extent feasible, prioritize projects in areas with high job proximity and high economic, education, and environmental outcomes.
 - Action 1.7.2: Conduct specific, targeted outreach to Census Tracts 2.02, 3, 5.01, 5.02, 6.03, 6.04, 10, 11, 12, and 13 which have block groups with the finding “less positive economic outcome” or “furthest proximity to jobs” (HCD AFFH Data Resources and Mapping Tool: 2021 TCAC; 2017 U.S. Department of Housing and Urban Development). To the extent feasible, outreach will be bilingual in English and Spanish. Outreach will include preparation and distribution of a flyer in collaboration with the Butte College Small Business Development Center. The flyer will advertise small business counseling for low-income individuals who own or want to start their own business. Provide the flyer for outreach to local businesses, employers, health care, restaurants, schools, stores, and organizations in these census tracts.
- Whenever appropriate, the City will consider applying for the State of California AHSC funding. Administered by the Strategic Growth Council and implemented by the California Department of Housing and Community Development (HCD), the AHSC Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions through

improved pedestrian and non-motorized access to services, education and jobs. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

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Almost all affordable housing projects located in Chico are financed with tax credits administered by the California Tax Credit Allocation Committee (CTCAC). CTCAC prioritizes projects that are close to public transit, grocery stores, libraries, schools, hospitals, health clinics, pharmacies and senior centers. Almost all the city's large low-income affordable housing developments (50+ units) built over the last 20 years, representing about 800 units, are located on or near commercial/transit corridors and employment centers.

Efforts to revitalize or enhance lower income neighborhoods

The City adopted plans for two lower income neighborhoods in 2008 — one for the Chico Avenues Neighborhood, and one for the Southwest Chico Neighborhood, and a Chapman/Mulberry Plan in 2004. The Chico Avenues Neighborhood is comprised of portions of four census tracts: 6.01, 6.03, 6.04, and 7.00. Census tract 6.04 meets the CDBG definition of a “low-moderate income area”, in that at least 50% of the residents earn less than 80% of Area Median Income. The Southwest Chico Neighborhood is comprised of census tract 12.00 in which at least 40% of the residents have low-moderate incomes. These plans describe a multi-year approach to address a broad range of infrastructure needs for these neighborhoods, in addition to addressing other neighborhood priorities, such as historic preservation and traffic calming.

Since adoption of these neighborhood plans for the Avenues, Southwest Chico, and Chapman/Mulberry, the City continues to plan and undertake significant efforts to enhance its lower income neighborhoods through use of HUD funds, former redevelopment agency funds, and community partnerships. These efforts have predominantly focused on lower income, older, central city neighborhoods as described in this Analysis of Impediments. Below is a summary of these efforts by neighborhood.

Chapman/Mulberry Neighborhood (Census Tract 13.00)

- The remaining portions of the Chapman and Mulberry neighborhoods in the area of Census Tract 13.00 was annexed into the City of Chico on July 1, 2020. The annexation now provides city services such as police, fire and code enforcement, as well as potential infrastructure improvements.
- In July 2024, the City approved \$2.4 million for its affordable homeowner project with Habitat for Humanity to build 5 homes affordable to low-income

homebuyers on former City land, while also committing to improvement of surrounding streets, sidewalks, gutters, storm drain, and sewer system.

- Ongoing conversion of septic systems to the city sewer system, in compliance with State directives, including a CDBG-funded County grant program to assist low-income homeowners in connecting their laterals to the sewer system.
- Improved lighting and storm water drainage in the north part of the Chapman neighborhood along 10th Street.

As of 2020, the Chapman/Mulberry neighborhood has been enhanced by the construction of 27 new homes for low-income, first-time homebuyers through Habitat for Humanity of Butte County, in the area of East 16th to 20th Streets between C and D Streets, along Mulberry Street, and on East 11th Street. In addition to the new homes in the area, storm drain, alley and street improvements were made for access to the homes on 19th and 20th Streets.

Continued use and maintenance by the Chico Area Recreation District, and other community organizations, of the Dorothy Johnson Center, located at the heart of the Chapman neighborhood, as well as 20th Street Park.

- Newly constructed Salvation Army Community and Family Service & Education Office on 16th Street provides important services to the community.
- Chapman Elementary School is in the center of the Chapman Neighborhood, and pathway and road improvements that are part of the Safe Routes to School program have benefited the surrounding area.
- The City completed roadway maintenance and rehabilitation of Pine, Mulberry and Cypress Streets from East 9th Street to East 20th Street in 2022. The City is in the design phase of 20th St. Corridor improvements, to facilitate the acquisition of right-of-way and completion of street improvements to improve corridor operations and provide for economic development. The project will implement a complete streets approach to encourage other modes of travel.

Southwest Chico Neighborhood (Census Tract 12.00)

- Development of 1200 Park Avenue, an affordable tax credit housing project for low-income seniors, which enhanced an entire city block.
- Development of a 58-unit multifamily affordable/supportive housing project located at the former site of The Jesus Center at 1297 Park Avenue known as The Foundation, owned and operated by Jamboree Housing.

- Street, sidewalk, and median improvements along Park Avenue.
- Infill redevelopment associated with the construction of The Jesus Center's Renewal Center on Fair Street, with the possibility of future supportive housing at the site.
- Use of the City's Housing Rehabilitation Program, funded by CDBG, to improve energy efficiency of the housing stock.

In Census Tract 12.00, the City's Capital Improvement Project budget includes the Comanche Creek Greenway: Construct a Class 1 bikeway gap closure on an abandoned railroad grade, connecting the regional Chico-Durham bike path at the Midway to the recently completed Phase 1 pedestrian/bike bridge over Comanche Creek. Phase 2 will achieve goals from the adopted Southwest Neighborhood Plan relating to enhanced public access to Comanche Creek and improved circulation for employees and residents. Benefits to the many area residents and employees include: providing safe, non-motorized urban trails that support recreational and commuter bike/pedestrian traffic; acquiring the final 8.02 acres of the planned 30.99 acre Comanche Creek Greenway; native tree planting; and a Class A path, wayfinding signage, kiosks, lighting, and other recreational amenities. The project is funded with a \$1.5M California Natural Resources Agency (CNRA) grant.

A bridge replacement project over Little Chico Creek at Salem Street. is a funded project through a \$4.3M Federal Highway Administration grant, in the design stage.

- Hegan Lane Congestion Relief, formerly known as W Park Avenue extension, will bring intersection improvements and upgrade circulation to connections to reduce traffic delays in and around the Hegan Lane Business park district. The project has obtained \$5.1M in grant from federal Congestion Mitigation and Air Quality (CMAQ) funding.

Nord Avenue/North Campus/West Avenues Neighborhood (Census Tracts 5.02, 6.03 and 6.04)

- Increased number of new market rate units including:
 - Campus Walk: just under 50 units; two- and four-bedrooms; 330 Nord Avenue
 - The Post on Nord: one to five-bedrooms; 1200 Nord Ave
 - The Urban: 36 three-bedroom units; 1033 W 5th Street
- In Census Tract 6.03, the City's Capital Improvement Project Needs List includes Esplanade safety and accessibility improvements from Memorial Way to Lindo Channel. This funded project includes improvements to the function of the traffic signal system, sidewalk gap closures, and other improvements in order to meet requirements for accessibility in accordance with the adopted ADA Transition Plan. Also, a Class IV path will be

constructed along the eastern side of the Esplanade in the old railroad ROW; add a traffic signal at 1st Avenue and Oleander intersection; and construct a roundabout at Oleander Avenue and Memorial Way, a commercial/residential area next to Chico Junior High School. Construction will begin in 2023.

- In Census Tract 6.04, the City's Capital Improvement Project Needs List includes comprehensive streetscape improvements along North Cedar Street from West Sacramento Avenue to Fourth Avenue. It includes roadway reconstruction, storm drain and ADA improvements, and new curb, gutter, and sidewalk. It is currently unfunded but may provide an opportunity for the City to partner with California State University, Chico (CSUC) and the Mechoopda Tribe.
- In 2018, CSUC demolished an existing facility to build a \$101 million physical sciences building, that opened in the Fall of 2021 (Chico Enterprise-Record, 2018; California State University, Chico, 2025).

Barber Yard Specific Plan, redevelopment and revitalization

The Barber Yard Specific Plan (BYSP) will significantly expand housing opportunities by introducing a diverse array of residential options to meet the community's evolving needs. With up to 1,250 new units, the plan envisions a mix of housing types ranging from single-family homes to high-density apartment complexes, some with commercial spaces integrated to encourage walkability and support local businesses. This development aligns with Chico's 2030 General Plan, designated as a "Special Planning Area," which highlights the need for affordable and accessible housing options to accommodate the city's growth. BYSP's housing offerings will include affordable housing components, accessory dwelling units, and units for sale and rent, ensuring opportunities for various income levels.

The project will impact specific parts of Chico, particularly the Barber neighborhood, with the primary BYSP Area encompassing about 133 acres within the city and an additional 13.5-acre improvement area located just south, within unincorporated Butte County. This strategic location is bounded by local roads such as Chestnut Street and Normal Avenue to the northeast and Estes Road to the east, and it is near the Union Pacific Railroad to the southwest. These boundaries, along with proximity to agricultural and rural residential areas to the south and west, position the development as a bridge between urban Chico and the surrounding rural communities, potentially enhancing connectivity and economic ties between them.

To support the Barber Yard Specific Plan, Chico must commit to essential infrastructure upgrades. The city is responsible for extending roads, including the proposed extensions of Ivy Street, West 16th Street, and other local routes, ensuring

smooth access throughout the development. The project will also require a comprehensive network of bike lanes, pedestrian paths, and multiuse trails to encourage alternative transportation modes. Additionally, Chico's utilities will be enhanced, with wastewater services provided by the city and water services by the California Water Service. The project includes plans for a stormwater basin and drainage improvements to prevent runoff issues, with two potential drainage alignment options being considered to connect the site to Comanche Creek.

The infrastructure improvements necessitate city investment, particularly in stormwater management and transportation. A new water retention and detention basin within the off-site improvement area will handle stormwater, with the city evaluating two potential alignment routes for connecting drainage to Comanche Creek. This infrastructure, alongside road extensions and utility services, will ensure that the Barber Yard Specific Plan is sustainable, and that Chico's broader environmental and community needs are met as the city grows. Through these efforts, Chico aims to build an organized, sustainable urban area that benefits residents and the broader region.

Fair Housing Impediment 2: *Census Tracts 5.02, 6.03, 6.04, 10.00, and 12.00 are lower income neighborhoods that continue to have concentrations of substandard housing and inadequate public infrastructure.*

Fair Housing Objective 2: *Continue to support use of the Housing Rehabilitation Program in Census Tracts 5.02, 6.03, 6.04, 10.00, and 12.00, and target public improvements in these areas over the next five years.*

Financial resources to fund affordable housing, community facilities and services, and small and disadvantaged business opportunities in neighborhoods in need of revitalization

Financial resources available include:

- The HOME Program: The City of Chico is a Participating Jurisdiction for the HOME program and made \$1.43M available in HOME funds for investments in the 2022-23 program year (City of Chico 2023-2024 CAPER, CDBG & HOME Funds).
- Community Development Block Grant: The City of Chico is an entitlement community for the CDBG program and made \$1.48M available in CDBG funds for investments in the 2022-23 program year (City of Chico 2023-2024 CAPER, CDBG & HOME Funds).
- Permanent Local Housing Allocation: The City Received \$390,348 in 2020; \$606,721 in 2021; and \$667,678 in 2022, plus the 5% local administrative cost. The City has committed to use this funding to assist persons who are

experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

- Other State and Federal programs: As appropriate, housing providers in Chico also apply directly to HUD for funding assistance through the Section 202 and 811 programs as well as Continuum of Care programs, and to the California Department of Housing and Community Development for various programs.
- Low Income Housing Tax Credits: Project development capital is provided to most affordable housing projects in Chico by investors who then obtain tax credits through the Low-Income Housing Tax Credit program administered at the State level by the California Tax Credit Allocation Committee.
- HOME match credit: The City maintains approximately \$12.2 million in match credit. This credit is derived from previous Low- and Moderate-Income housing funds of the former Redevelopment Agency, the value of land donations/leases, private donations, below market rate interest loans and grants made to HOME-eligible housing projects.

November 2018 Camp Fire

The deadliest and most destructive wildfire in California history, known as the Camp Fire, began on November 8th near the town of Pulga in eastern Butte County and was fully contained on November 25th, 2018. It caused 85 fatalities, and burned over 150,000 acres, almost reaching the southeastern portion of the City of Chico (CAL FIRE, 2018). Tens of thousands of residents of eastern Butte County relocated during the Camp Fire or in its aftermath. Many relocated to Butte County communities, including the City of Chico, which grew by almost 20,000 people, or 17%, from January 1, 2018, to January 1, 2019 (California Department of Finance, 2019). Dozens of businesses and schools also relocated to Chico after the Camp Fire. In response to the Camp Fire, a presidentially declared disaster was enacted by the federal government for all of Butte County, opening up federal resources to help rebuild. To address the housing needs of low- and moderate-income households displaced by the destruction of rental units, the U.S. Department of Housing and Urban Development (HUD) made approximately \$32 million available to the City of Chico to build affordable rental housing, and about \$64 million available to Butte County to build affordable rental housing throughout Butte County, including Chico. In addition, the State of California created a set-aside of disaster tax credits for affordable rental projects in Butte County in 2020 and 2021.

CHART A

City of Chico - Summary of Affordable Housing 2020-2025

						# of Units at Affordability Level						
July 2020 Disaster Tax Credit Awards	Project	Address	Type	Status	# Afford Units	30%	40%	50%	55%	60%	Manager Unit	Cert. of Occupancy
	Bruce Village/B20	1990 Belgium Ave	Seniors	Complete	59	6	12	19	0	22	1	Dec. 2023
	Creskide Place*	1250 Notre Dame Blvd	Seniors & Special Needs	Complete	100	75	0	25	0	0	1	Jan. 2023
	Deer Creek, Phase I	2768 Native Oak Dr	Family	Complete	155	16	24	62	0	53	1	Oct. 2024
	Lava Ridge	2796 Native Oak Dr	Family	Complete	97	10	34	0	0	53	1	Oct. 2022
	North Creek Crossings @ Meriam Park, Phase I*	2265 Maclovio Ave.	Family	Complete	105	27	27	31	0	20	1	May 2023
	The Foundation (1297 Park Ave)*	1297 Park Ave.	Special Needs	Complete	58	19	23	7	3	6	1	Sept. 2024
	Senator Conness	2754 Native Oak Dr	Family	Complete	160	17	57	0	0	86	2	Oct. 2024
July 2021 Disaster Tax Credit Awards	Deer Creek, Phase II	2768 Native Oak Dr	Family	Complete	47	5	8	19	0	15	1	Oct. 2024
	North Creek Crossings @ Meriam Park, Phase II*	2265 Maclovio Ave.	Family	Complete	53	13	13	15	0	12	1	Oct. 2023
	Tonea Senior Apartments	184 Tonea Way	Senior	Complete	103	11	26	25	0	41	1	Dec. 2023
City of Chico/County of Butte 2018 CDBG-DR Projects within Chico Sphere of Influence	Chico Bar Triangle*	2225 Bar Triangle Dr.	Large Family	Under construction	69	18	12	19	0	20	1	
	Cussick Apartments*	616 W. East Ave.	Large Family	Under construction	74	21	35	14	0	4	1	
	Oleander Community Housing*	2324 Esplanade	Special Needs	Under construction	37	37	0	0	0	0	1	
	Oak Family Apartments	Cohasset Road	Family	In pre-dev/ awaiting funding	75	8	4	48	0	15	1	
	Oak Park Senior Apartments	Cohasset Road	Senior	In pre-development/ plan check	59	8	0	51	0	0	1	
* City-funded in part					Affordable Units:	1251	291	275	335	3	347	-
					Manager units:	16						

Tax credit and CDBG-DR affordable housing projects in the City of Chico have included the following units, all affordable for households with incomes 30-60% of AMI(City of Chico 2023-2024 CAPER, CDBG & HOME Funds). See Chart A for an overview of developments created since the Camp Fire.

In interviews with housing and homeless services providers for this Analysis of Impediments, they all noted the positive impact that these new units have had on the housing market for lower-income households, but also noted that the need for these units continues to be greater than the supply.

3. Public Housing

Areas of analysis for this section include:

- Public housing agency and other housing assistance provider policies and procedures for:
 - Selecting individuals and families to receive the benefits of Federal, State, or local publicly assisted housing programs that provide rental or ownership opportunities for lower-income persons and families.
 - Advertising rental vacancies to the public and establishing and maintaining waiting lists.
 - Assisting certificate and voucher holders to find suitable rental units throughout the jurisdiction.
- Coordination and cooperation among jurisdictions in surrounding metropolitan or regional areas in planning and carrying out housing and related activities

Selecting individuals and families to receive the benefits of Federal, State, or local publicly assisted housing programs that provide rental or ownership opportunities for lower-income persons and families

The effective Admissions and Occupancy Plan and Section 8 Administrative Plan for the Housing Authority of the County of Butte (HACB), both adopted in 2023, are available on HACB's website at <http://butte-housing.com/resources/policies/>. These plans comply with federal and state fair housing law. HACB requires a Fair Housing poster to be posted in conspicuous and accessible locations in PHA lobbies, ensures compliance with all non-discrimination, equal opportunity, and fair housing laws, and ensures that the program is accessible to persons with disabilities. There are no statements or rules in the HACB policies that are or could be construed as discriminatory towards any protected classes. The plans contain detailed policies and procedures regarding non-discrimination, reasonable accommodation for persons with disabilities, and accessibility for persons with limited English proficiency.

Public Housing Authorities are allowed to establish local preferences for selecting applicants. The principal preference for HACB public housing is the date and time of receipt of application, which is a “first come first serve” criteria. In addition, federal regulations require that extremely low-income households make up at least 40% of families admitted to public housing during the PHA’s fiscal year. HACB also has a policy and procedure for poverty de-concentration within its housing.

Beyond date and time of receipt of application for public housing, HACB’s Section 8 waiting list has the following local preferences:

- Limited homeless preference (up to 65 families)
- Limited ‘moving up’ preference (up to 10 families, transitioning out of a PSH unit but no longer needing supportive services)
- Persons displaced by government action, including a government-declared natural disaster, and Federal, State or local government action related to code enforcement, public improvement or development. Within this government displacement preference, priority shall be given to families of veterans and servicemen.
- Victims of domestic violence, dating violence, sexual assault, or stalking
- Victims under witness protection programs
- Limited Family Unification Program and Transitional Age Youth Preference (up to 10 families); within this preference, priority shall be given to families of veterans and servicemen displaced by public action.
- Voucher Utilization/Lease In-Place: in the event that the leasing rate falls below 97%, preference for households that are willing and able to Lease in Place. Priority shall be given to families of veterans and servicemen.

Advertising rental vacancies to the public and establishing and maintaining waiting lists

HACB draws from an existing waiting list to fill vacancies in public housing and available Section 8 vouchers. When waiting lists open or close, HACB provides notice through its website, at its offices, public libraries, other online platforms for local housing news; any local newspapers of general circulation, minority media, and other suitable means. and through its housing and service provider network. Notices are provided in Spanish and Hmong, and other languages as requested. The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the HACB address and telephone number, and referral to resources to obtain information concerning how to submit an application, information on eligibility requirements and the availability of local preferences. Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date. HACB maintains fair housing outreach policies. These include: identifying underserved populations;

implementing strategies to reach underserved populations; and avoiding outreach methods that exclude protected classes.

After receiving an application, HACB conducts a preliminary assessment of the family's eligibility. A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and the amount of rent the family will pay. A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the HACB initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list. Applicants that appear to be eligible receive written notice that they have been placed on the waiting list.

HACB maintains separate waiting lists for public housing and for Section 8 Housing Choice Vouchers. The HACB maintains a single waiting list for the HCV program combining Butte and Glenn County jurisdictions. Section 8 waiting lists are updated periodically to ensure that all application information is current and timely, in adherence to HACB procedure as described in the Administrative Plan. For public housing, HACB maintains a site-based waiting list system, with separate waiting lists for each of the following sites within the HACB's public housing stock: City of Chico City of Oroville There is a single waiting list for the cities of Gridley and Biggs. Families on this list have the option to select one property over the other upon the first unit offer. The HACB's site-based waiting list policies are as follows: Families may apply and be placed on all three (3) waiting lists. The offer system described in this policy applies to all sites.

HACB provides units designed for persons with disabilities including mobility, sight and hearing impairments, referred to as accessible units. No households without disabilities will be offered these units until all eligible applicants with disabilities have been considered. HACB will require in the lease agreement that any families and individuals without disabilities residing in accessible units must move to an available non-accessible unit within 30 days when HACB has a family or individual on the waiting list who requires an accessible unit.

Assisting certificate and voucher holders to find suitable rental units throughout the jurisdiction

The Map: HCV Voucher Concentration in Chico, CA 9/25/2024 in the Appendix, shows that Section 8 Vouchers are spread throughout most of the city, The city's 993 Housing Choice Vouchers (HCVs) make up 59% of all the HCVs in use in Butte county as a whole (1,684). HCVs are fairly evenly distributed within all census tracts in the city having 0-15% of renter occupied housing units as households with an

HCV. There is a higher percentage of HCVs holders in the north and south portions of the city. In addition, all public housing buildings are located in the southcentral and southwest parts of the city.

The HACB Section 8 Administrative Plan has a policy of recruiting participating property owners with property located outside of areas of poverty and minority concentration. HACB actively promotes and markets the Section 8 program to meet this policy goal. HACB also provides attentive customer service to participating property owners in order to retain existing relationships.

The HACB provides informational materials about the Section 8 program in Spanish and Hmong. All individuals with limited English proficiency are assisted in finding suitable rental units in order to remove barriers to housing. The HACB also coordinates with supportive service providers to assist persons with disabilities to find accessible housing.

Coordination and cooperation among jurisdictions in surrounding metropolitan or regional areas in planning and carrying out housing and related activities

HACB has a countywide service area, which facilitates coordination among jurisdictions in Butte and Glenn Counties. Given its service footprint, HACB works with the Butte County Association of Governments in carrying out the Regional Housing Allocation Plan. In addition, HACB is an active participant in the Butte Countywide Homeless Continuum of Care.

Public Housing Conversion –

Preliminary financial analysis has been completed, evaluating the HACB's Public Housing stock for long-term viability, given aging of the housing stock and anticipated Capital Fund appropriations (*City of Chico 2023-2024 CAPER, CDBG & HOME Funds*). The analysis showed that capital needs will begin to exceed annual Capital Fund revenues within three years, pointing to the inevitable deterioration of the housing stock, absent receipt of other funds. Absent Congressional action, conversion of the portfolio to alternate program and/or financial platforms will be necessary. Chico's Public Housing stock, in particular, lends itself to re-development, as opposed to renovation, as the properties are located central to the community's core, where property values have significantly increased since original development. Highest and best use points to substantial increase in development densities, providing for increase of affordable housing opportunity. The redevelopment invites visioning and coordination with the City of Chico, as the outcome will change the urban fabric of Chico's core in delivering nodes of multi-story, higher density housing.

Public Housing tenants would be protected via relocation to the newer developments, and/or transfer to the HUD Section 8 program platform. The properties, absent the Public Housing regulatory structure, would be free to be

financially leveraged, rehabilitated, converted, redeveloped, etc., in effect “re-set” as affordable housing into the future.

4. Sale of Subsidized Housing and Possible Displacement

In the sale of subsidized housing, the objective should be to preserve lower-income housing opportunities to the maximum extent feasible. However, if any displacement of current minority or low-income families with disabilities occurs, the objective then should be to provide other housing opportunities to displaced households by giving them a real choice to relocate inside and outside minority neighborhoods or predominantly minority occupied buildings. Because a relocation plan often places sole reliance on the provision of certificates or vouchers to displaced households, a good program to promote real choice in the use of certificates and vouchers is essential.

In the event that relocation is part of a federally funded project, requirements of the Federal Uniform Relocation Law apply. In instances where Federal funds are not involved, then California’s Relocation Laws apply.

As required by State Housing Element Law, the City of Chico identifies units at risk of losing affordability over the next five years in its Housing Element. In the City of Chico 2022-2030 Housing Element Update, Chapter 4, Figure 31, 2025-2029, the City identified no projects with HUD project-based rental assistance contracts that will expire in the next five years. One project, Longfellow Apartments, owned by ARC of Butte County (ARC), may be lost by 2031 if affordability covenants are not renewed prior to 2030.

Longfellow Apartments is a 24-unit affordable housing project with City of Chico RDA and CalHFA regulatory agreements recorded against the property. The City of Chico RDA Regulatory Agreement restricts 10 of the units to rents affordable to households earning 50% of Area Median Income and restricts 12 of the units to households earning 80% of Area Median Income. The CalHFA Regulatory Agreement restricts 40% of the units to households earning 50% of Area Median Income and restricts 40% of the units to Special Needs Households for persons with developmental disabilities. These regulatory agreements expire in August 2031 for the City of Chico RDA Regulatory agreement, and in September 2031 for the CalHFA Regulatory Agreement. The City is actively working with ARC to support them in exploring options to rehabilitate the units and preserve the affordability of the property along with its set aside of units for persons with development disabilities.

The City of Chico 2014-2022 Housing Element identified no at-risk projects 2025-2029 in the coming years. The policy of the City is to try to prevent the conversion of subsidized housing if possible. The current policy is that upon notification by HUD that an at-risk housing project will be converted (due to the inability of HUD to find a workable financial incentives package that will keep the project affordable and

provide a sufficient rate of return for the owners) the City will evaluate the property in terms of its physical condition, bedroom mix, and location. The City will work with the HACB and local housing providers to determine whether the project should be preserved and if so, whether the cost required to acquire and rehabilitate the units makes economic sense. If it makes sense to acquire and rehabilitate the units, the City will work with HACB and housing providers to raise funds and execute the project.

Fortunately, the City has not lost any at-risk units in the past. The major reason for this is that HUD contract extensions tend to be more favorable to property owners than market rents. Market rents in Chico are generally not high enough to incentivize a conversion to the private market.

Because of the impact of the college student population on Chico's housing market, and the struggles many students experience to find affordable housing, the City makes every effort to engage with California State University Chico on discussions regarding student housing needs and the University's plans to address those needs. The 2022-2030 Housing Element includes an Action 5.2.1 to continue to encourage CSU Chico to engage the community in housing campus plans. The 2030 Campus Master Plan (adopted Spring 2020) calls for more affordable housing for students to be built on campus.

The City's Housing Division is responsible for monitoring the continued affordability of housing projects assisted by the City and/or former Redevelopment Agency (2022-23 *CAPER*). Assisted rental projects submit annual reports and certifications of occupancy which document household size, annual income and rent charged. The affordability restrictions are a minimum of 20 years for HOME-funded projects and in most cases the period has been 55 years, due to the involvement of the former Redevelopment Agency funds and/or federal low-income housing tax credits. Home ownership assistance is monitored annually for occupancy by the assisted family. The applicable resale or recapture provision is enforced. Sub-recipients are monitored through site visits and/or desk monitoring and through submissions of reports that are required by their funding agreements. HUD monitoring guidance forms are utilized for the monitoring of HUD-funded projects. The City is required to submit an annual Consolidated Annual Performance and Evaluation Report to HUD for its CDBG and HOME grant. In addition, the City is required by HUD to submit a five-year Consolidated Plan and an Annual Plan for all proposed activities. The Consolidated Plan for 2020-2024 was submitted and approved. As the Housing Successor to the former Redevelopment Agency (RDA), the City has assumed the rights and obligations to enforce all existing loans, grants and various covenants previously executed by the RDA. The City's Housing Division strives to track and monitor all agreements for compliance through an extensive reporting and oversight process.

5. Property Tax Policies

The Butte County Assessor administers property taxes in Butte County. The property tax rate, not including local assessments, is uniform throughout the County and does not vary by locality. The property tax rate is set at 1% of the net property value, and is divided among the county, city, school, and special districts. Most types of publicly assisted housing properties are eligible for a Property Tax Welfare Exemption and are not required to pay property taxes. Owners who suffer damage to their property as the result of a calamity or disaster (such as accident, fire, earthquake, or flood) may be eligible for certain, limited forms of property tax relief under Revenue and Taxation Code Section 170 (R&T 170).

An independent Appeals Board resolves disputes between the County and taxpayers over values of locally assessed property. Assessment appeals hearings are held by a Hearing Officer and before a three-member Board consisting of citizens appointed by the Board of Supervisors. The Appeals Board does not fix tax rates, levy taxes, or change the tax rate.

6. Planning and Zoning Boards

Jurisdictions should pay close attention to the importance of the relationship between the membership of planning and zoning boards and the decisions they make regarding neighborhood revitalization activities and lower-income housing site selection. Broad based representation of citizens in the community, including people with low socioeconomic status, racial and ethnic minorities, all gender identities, persons with disabilities, and families with children should be a basic element of a jurisdiction's efforts to further fair housing process.

The City's Planning Commission is composed of seven members. There are three male members and four women. All seven are white. These are voluntary positions, and they are chosen and appointed by their respective City Councilmember based on the district in which they reside. Recruitment for a vacant seat on the Planning Commission is an open process. When the City advertises for such a position, staff place wording in the ad encouraging members of the various protected classes to apply. The City has a policy of requiring that any Planning Commission member with a conflict of interest relative to a deliberation recuse themselves from the discussion and voting.

7. Building Codes and Accessibility

The City's site improvement standards and building codes do not unfairly impact the feasibility of developing affordable housing. This assessment is further described in the City of Chico 2022-2030 Housing Element, Chapter 6: Constraints Analysis. The

City of Chico has adopted Model Codes consisting of the Uniform Building Code, Uniform Fire Code, Uniform Mechanical Code, Uniform Plumbing Code and National Electric Code. These codes conform with federal and state fair housing law. The City enforces the California Building Codes but does not layer them with additional local building codes. As such, the City's building codes and enforcement do not constrain residential development beyond what is typically required in the State of California.

Standard requirements regarding accessibility for persons with disabilities are found in California's Title 24, which is enforced locally by the City's Building Division. Special accessibility requirements are required for multi-family residential projects with three or more units.

In 2020, the City of Chico adopted the updated 2019 California Building Code. The City operates a Code Enforcement program employing three full-time Code Enforcement Officers and one Supervisor. The Code Enforcement Division uniformly and fairly enforces codes and regulations and assigns high priority to the abatement of violations that constitute potential threats to public health or safety or that may cause significant environmental damage. Enforcement is generally conducted on a complaint-driven basis and Code Enforcement staff work collaboratively with residents to obtain voluntary compliance of City regulations. Neighborhood revitalization was achieved through CDBG-funded code enforcement in those areas of the city where at least 51% of the residents are low-moderate income, and such enforcement, along with the other city improvements and services, is expected to arrest the decline of the area.

The City's Housing Element includes an Action 5.1.6 to include a Reasonable Accommodation procedure for persons with a disability to request a variance from zoning or building code standards that accommodates their disability and does not require discretionary review. The procedure was amended in June 2024 and involves a ministerial review that does not involve approval from an elected or appointed body as is the case for variances, conditional use permits, or special use permits. A written determination on whether to grant or deny the request for reasonable accommodation will be issued within 30 days of the application being deemed complete. The determination will be based on objective findings, including: 1) verification that the requested accommodation will benefit an individual with a disability; 2) whether the requested accommodation is necessary for the requesting individual to have equal opportunity to use and enjoyment of the housing and housing-related services; 3) whether the requested accommodation would impose an undue financial or administrative burden on the City; and 4) whether the requested accommodation would require a fundamental alteration in the nature of a State or local law, including but not limited to land use and zoning. The procedure will also include a process for appeal of the determination, supported by a written decision with findings and supporting documentation for the findings.

B. Private Sector

Under the broad term “private sector” are many specific aspects of the jurisdiction’s housing market that should be examined to determine whether fair housing objectives are being served. The following housing market issues and activities are included under this heading:

1. Banking and insurance policies and practices pertaining to the financing, sale, purchase, rehabilitation, and rental of housing that may affect the achievement of fair housing choice.
2. The sale and rental of housing and real estate practices such as blockbusting, deed restrictions, trust or lease provisions, conversions of apartments to all-adult occupancy, inaccessible design, or management firm “occupancy quotas”.

This section will explore these issues.

1. Lending Policies and Practices

The Housing Background section of this Analysis of Impediments identified some disproportionate racial and ethnic differences in the City of Chico.

The data for persons of Hispanic/Latino origin should be noted as a concern. Hispanic/Latinos have disproportionate originations, higher proportion of higher priced mortgages, and disproportionate percent mortgage denials.

Fair Housing Impediment 3: Unequal access to mortgage lending for racial/ethnic minorities, especially Persons of Hispanic/Latino Origin.

Fair Housing Objective 3: Work with a legal services organization, the Sierra North Valley REALTORS, and racial/ethnic minority groups to provide fair housing education for borrowers and lenders through workshops and written materials.

2. Real Estate Policies and Practices

Realtor Policies and Practices

The California Department of Real Estate has made fair housing education mandatory for all real estate licensees. In response to this mandate, the various associations of realtors in Butte County conduct fair housing workshops as well as provide online education. Course highlights include:

- Who is protected by the fair housing laws
- What acts are prohibited
- Preventing violations of the fair housing laws

In order for participants to receive Department of Real Estate Mandated Credits for this workshop, they must take and pass a written or online exam based upon the information presented.

In the 2022-2030 Housing Element **Action 1.3.1**, the City committed to expand existing fair housing workshops to include a workshop for the Sierra North Valley Realtors Association and lenders (banks, brokerage firms) on fair housing in lending regarding people with low-incomes and people of color.

In an interview for this report, Sierra North Valley REALTORS (SNVR) staff noted their role in providing fair house education to the real estate workforce and lending community. Much of this education has been moved online due to the crises the North State continues to face including the Oroville Dam crisis, the Camp Fire, the 2019 power outages, and COVID-19. SNVR cosponsors the North Valley Property Owner Association's (NVPOA)'s fair housing workshops for landlords. SNVR staff also meets with Chico City Councilors, community members, and housing providers to help address the need for housing in Chico.

SNVR staff believes that housing affordability and availability are significant challenges, especially for underserved communities after the Camp Fire. Staff stated that continued restrictions on housing such as the California Environmental Quality Act, AB 1482 passed in 2019, and local anti-price gouging policies create barriers for increasing housing supply and challenges for both landlords and tenants to provide and access fair housing.

Restrictive Covenants

State law prohibits the creation or enforcement of any CC&Rs that are discriminatory in nature. As far as City staff knows, there are no discriminatory CC&Rs active in the Chico, outside of those specifically allowed by law. Those allowed by law are for retirement communities where the sole discriminatory factor allowed is age.

Leasing Practices

The City has in the past reviewed the various rental policies of the large property management companies in the jurisdiction and found no discriminatory language or policies in those documents. However, many property owners within the City do not use property management companies. Therefore, a large number of leasing practices have not been reviewed.

In writing this report, staff conducted interviews with key community partners, including: Chico Housing Action Team; True North Housing Alliance; The Jesus Center; Community Housing Improvement Program; Habitat for Humanity Butte County; California State University, Chico; Legal Services of Northern California; and North Valley Property Owners Association.

Chico Housing Action Team (CHAT), True North Housing Alliance, and The Jesus Center administer housing programs for people experiencing homelessness. Staff at all of these agencies noted a lack of affordable rental units in the city, especially studio or one-bedroom units as well as a lack of accessible rentals for people with disabilities, especially those who use wheelchairs. The most significant barrier to housing that program participants experience is lack of adequate income. Other barriers include passing standards for credit and rental history and illustrating an income of three times the rent amount.

All staff stated that program participants experience challenges finding decent, affordable housing in Chico. Barriers include having an eviction on their rental history and not having access to a consistent phone number and mailing address for housing waiting lists. Some participants receive a Section 8 Housing Choice Voucher but are unable to find a rental to use the voucher due to a lack of available affordable housing.

Over a third of California State University, Chico (CSUC) students identify as Hispanic/Latino. The CSUC Basic Needs Project serves students experiencing food insecurity, hunger, displacement, homelessness, and poverty. In an interview for this report, Basic Needs Project staff noted that students face barriers to housing including: high market rents; lack of sufficient funds for food due to lack of employment opportunities; and lack of experience in the housing market including understanding budgeting, contracts, or financial wellness. About a quarter to half of CSUC students struggle to find a co-signer and the funds to pay for a deposit and first and last month's rent. Students with disabilities, such as those on the Autism spectrum, face additional barriers in navigating rental housing.

Legal Services of Northern California's (LSNC) Chico office provides free legal assistance regarding housing to low-income people and people affected by the November 2018 Camp Fire in Butte County¹. Staff stated the vast majority of LSNC's fair housing cases are disability related. These cases often include reasonable accommodations such as modifications to homes; service and support animals; extensions on moveout notices or relocation notices; and accommodation of a different rent due date to correlate with a disability benefit check. LSNC's role for reasonable accommodation cases is to help landlords and tenants interact and find a solution to keep the tenant in the home safely.

The North Valley Property Owners Association (NVPOA)'s work centers on the rental housing industry and serves professional property management companies and rental owners who self-manage their residential income properties. Staff also work to enhance relationships between housing providers and residents. To discourage discriminatory practices in their tenant selection process, NVPOA used

¹ LSNC is unable to serve persons who do not have legal documentation to be in the United States or are not in the process of receiving this documentation.

to send out “undercover” shoppers to determine fair housing compliance. NVPOA has not operated this program in recent years.

Fair Housing Impediment 4: Lack of oversight to discourage discriminatory leasing practices.

Fair Housing Objective 4: Work with NVPOA to reinstate testing of leasing practices to determine fair housing compliance. Promote fair housing workshops targeted toward landlords.

Challenges and Concerns

In an interview conducted for this report, NVPOA staff identified these challenges and concerns in leasing practices:

- Allowable rent increases per AB 1482, California's Tenant Protection Act of 2019, which went into effect January 1, 2020. This law limits rent increases and requires "just cause" for evictions, impacting many residential rental properties, but not all. NVPOA indicated that many landlords whose properties are covered by this law are confused about the limitations on rent increases and what is allowable under “just cause” evictions.
- Ongoing confusion among landlords regarding companion/support animals and necessary documentation.
- Lawful procedures for terminating tenancy, including notices and reasons for evictions.

In an interview conducted for this report, LSNC staff identified these challenges and concerns in leasing practices:

- Not all property managers, property owners, and law firms representing properties fully understand the law regarding reasonable accommodations and alleged behavioral violations that are disability related.
- Not all landlords abide by non-discrimination regulations for persons with a Section 8 housing choice voucher. Example: advertising for an 11-month lease when Section 8 requirements include a 12-month lease.
- Unconscious discrimination/implicit bias.
- Landlord screening of applicants, especially for criminal convictions and prior evictions.

- Seniors and people with disabilities are disproportionately affected and intimidated by property owners or managers who have a propensity to submit notices and lease-violation letters.
- An increased use of technology for housing documents and submissions is a growing barrier for seniors, non-tech savvy individuals and people who have disabilities that inhibit their use of technology. Many housing providers, including HACB, prefer or sometimes require electronic and online documentation for communications without making alternatives available to people who do not use technology or without sufficiently making clear that there are accommodations available.
- There are programs through Disability Action Center and Passages to assist tenants with moving out of a unit and into another unit. However, there is a gap in services for tenants who are asked to move temporarily to allow for cleaning and maintenance in their units. The Salvation Army and St. Vincent de Paul run volunteer programs to assist with these situations, but the programs are ad-hoc and not guaranteed. Landlords may not want to assist with moving and assume liability of medical equipment that is being relocated. Without formalized assistance, LSNC's clients who are seniors or have disabilities struggle to move in and out of units temporarily.
- Housing in the City of Chico has not been affordable for LSNC's clients since at least 2012. With a lack of housing availability and affordability, clients are afraid to lose their housing and are more likely to accept unfair housing procedures. This fear has been more widespread after the November 2018 Camp Fire.

Fair Housing Impediment 5: Seniors and people with disabilities report disproportionate impediments to fair housing choice.

Fair Housing Objective 5: Receive ongoing feedback from organizations that serve these populations such as: Community Legal Information Center; Disability Action Center; Far Northern Regional Center; Office of Clients' Rights Advocacy, Disability Rights California; Legal Services of Northern California; and Passages. Update list of accessible units in affordable housing complexes and continue to share it with Disability Action Center. Continue to allocate CDBG funds to NVPOA and LSNC for a combined total of four fair housing workshops per year for both tenants and landlords.

V. Assessment of Fair Housing Programs and Activities

Training and Education

The City of Chico sponsors four fair housing workshops each year with CDBG funds. Two are organized by NVPOA to educate landlords about fair housing law and best practices. Two are organized by LSNC primarily for tenants.

The City intends to expand this through **Housing Element Action 1.3.1**: expand existing fair housing workshops to include an annual workshop for the Sierra North Valley Realtors Association and lenders (banks, brokerage firms) on fair housing in lending regarding people with low-incomes and people of color.

NVPOA's workshop topics include qualifying applicants; fair treatment; discrimination; and processing non-emergency maintenance requests in the order which they are received². Attendance at these workshops ranges from 65-110 persons.

NVPOA also regularly communicates with its members to provide education and updates. Methods of communication include email, in-person, mail, and through social media. NVPOA holds monthly workshops (5 to 20 average attendance) and quarterly luncheons (65 average attendance), and has online education on fair housing linked through its website that members can access at any time.

In an interview for this report, LSNC staff noted some challenges with providing training and education on reasonable accommodation, as reasonable accommodations are situational and based upon what the landlord and tenant can both agree to. LSNC is considering making these adjustments to their training and education work:

- Looking at trends in complaints for the last 6 months, and focusing training on those timely topics. Helping landlords to understand new laws around criminal background checks and how not to discriminate. Providing more sessions on both intentional and unconscious discrimination.

Fair Housing Enforcement

The City provides CDBG funds to LSNC to address fair housing education through the provision of workshops. Fair housing complaints that are brought to the City's attention are directed to LSNC, who represents low-income individuals and families who are alleging a fair housing violation. Many such cases are resolved with settlement agreements. As appropriate, complaints may be further referred to the Federal Office of Fair Housing and Equal Opportunity, or the State of California Fair Housing & Employment Commission.

The City is not aware of any HUD findings of violation of the Fair Housing Act in any publicly funded housing or housing related activities in the city. The City will continue to work with housing and legal providers in the jurisdiction, primarily

² During the COVID-19 pandemic, only essential work orders are allowed.

LSNC and HACB, to determine if any such findings have occurred without the City's knowledge.

In an interview for this report, NVPOA staff stated the organization does not have a grievance committee nor a formalized process for fair housing enforcement, however, NVPOA does engage informally in fair housing enforcement. When tenants call NVPOA regarding fair housing issues, NVPOA will provide assistance and resources to tenants, engage with landlords on the issue, and invite landlords to receive ongoing education and information by becoming a member of NVPOA.

Housing Resource Guide

The City continues to update the Housing Resource Guide, which provides citizens with information to help them access affordable housing in the community. The City continues to provide technical assistance to non-profit groups to the extent possible, to improve the organizational capacity of housing and service organizations. There continues to be increased collaboration among the non-profits and City Departments. City staff continues to be trained to assist in the administration of the CDBG program and takes advantage of HOME and CDBG trainings.

VI. Conclusions and Recommendations

Below is a summary of Fair Housing Impediments and Objectives identified in this Analysis of Impediments.

Fair Housing Impediment 1: *High concentration of racial minorities in Census Tract 5.02, which also has high concentrations of low-income households, renter households, housing cost burdens, substandard housing, and inadequate public improvements.*

Fair Housing Objective 1: *Partner with a legal services organization to hold at least one public workshops in the low income Census Tracts on fair housing, the Americans with Disabilities Act, and tenant rights. Provide information to tenants in these areas so that they can advocate for their housing rights and connect to resources.*

Fair Housing Impediment 2: *Census Tracts 5.02, 6.03, 6.04, 10.00 and 12.00 are lower income neighborhoods that continue to have concentrations of substandard housing and inadequate public infrastructure.*

Fair Housing Objective 2: *Continue to support use of the Housing Rehabilitation Program in Census Tracts 5.02, 6.03, 6.04, 10.00 and 12.00, and target public improvements in these areas over the next five years.*

Fair Housing Impediment 3: *Unequal access to mortgage lending for racial/ethnic minorities, especially Persons of Hispanic/Latino Origin.*

Fair Housing Objective 3: Work with a legal services organization the Sierra North Valley Realtors Association, and racial/ethnic minority groups to provide fair housing education for borrowers and lenders through workshops and written materials over the next five years.

Fair Housing Impediment 4: Lack of oversight to discourage discriminatory leasing practices.

Fair Housing Objective 4: Partner with NVPOA to reinstate testing of leasing practices to determine fair housing compliance. Promote fair housing workshops targeted toward landlords.

Fair Housing Impediment 5: Seniors and people with disabilities report disproportionate impediments to fair housing choice.

Fair Housing Objective 5: Receive ongoing feedback from organizations that serve these populations such as: Community Legal Information Center; Disability Action Center; Far Northern Regional Center; Office of Clients' Rights Advocacy, Disability Rights California; Legal Services of Northern California; and Passages. Continue to update the list of accessible units in affordable housing complexes and share it with Disability Action Center. Continue to allocate CDBG funds for a combined total of four fair housing workshops per year for both tenants and landlords.

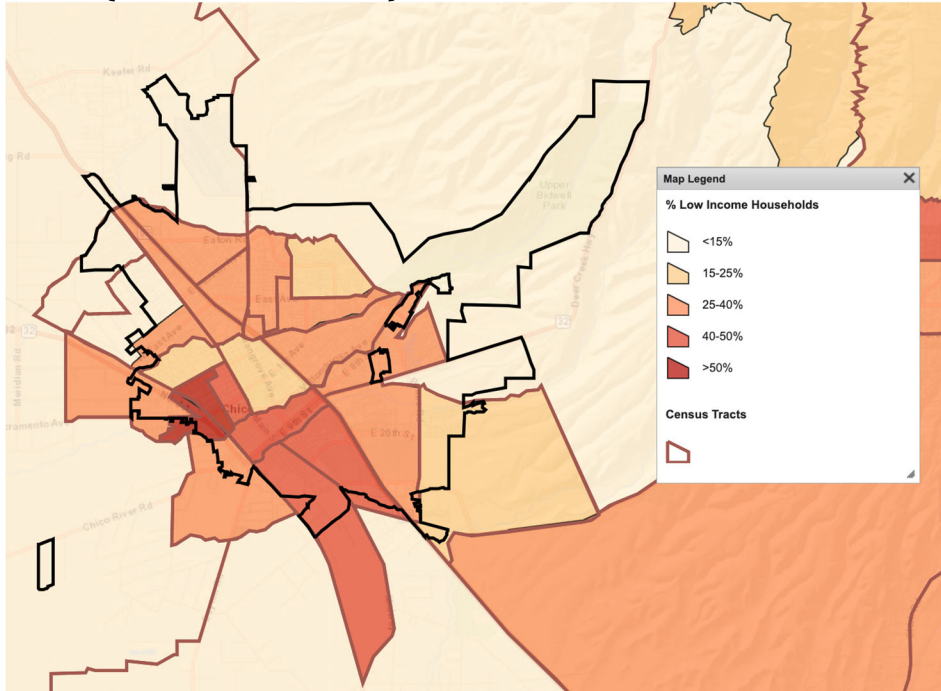
In addition to the Fair Housing Objectives outlined above, the City of Chico shall take the following actions to further Fair Housing:

- Continue to work with housing providers to build housing in areas near jobs, commercial amenities, public facilities, and public transit.
- Continue to work with housing providers to avoid concentrating affordable housing in lower income neighborhoods.
- Continue to implement revitalization plans in older, lower income neighborhoods.
- Continue to proactively address affordable housing at risk of losing rent restrictions by engaging the local HUD field office, property owners, HACB, and local housing providers.
- Continue to work with the North Valley Property Owners Association and the Sierra North Valley REALTORS to educate their members about their responsibilities and rights under Fair Housing Law.
- Continue CDBG funding for Legal Services of Northern California and North Valley Property Owners Association to implement the City's Fair Housing Program to educate tenants, landlords, and the general public.
- Continue to promote the education of the general public on the issue of fair housing.

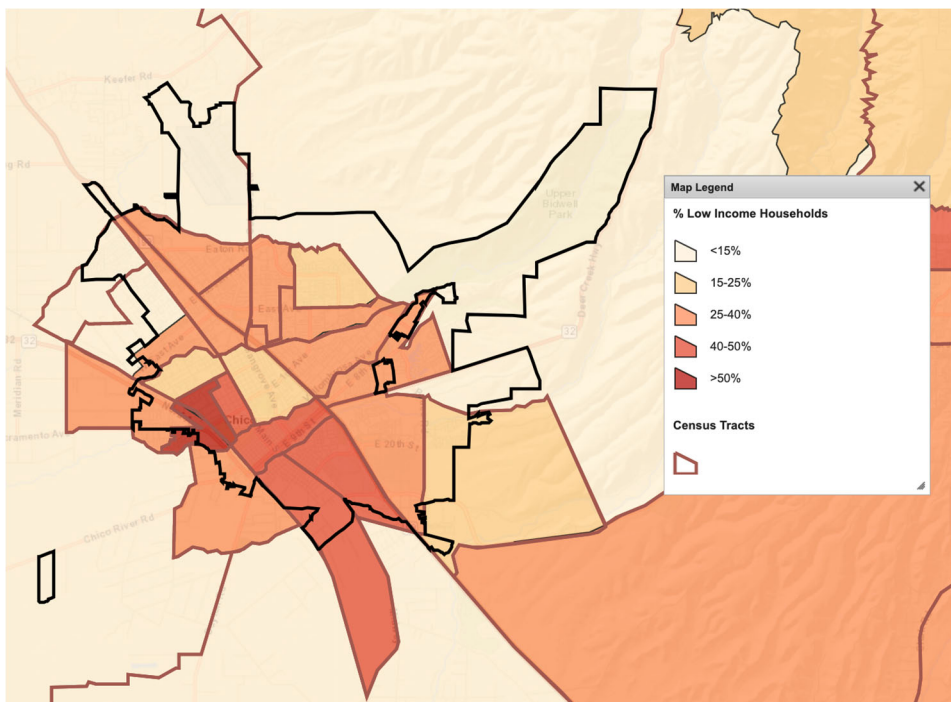
- Work with legal services organizations to update information related to fair housing for the community.
- Continue to gather data for the ongoing process of updating this document and monitoring the fair housing situation in Chico.

VII. Appendix to Analysis of Impediments

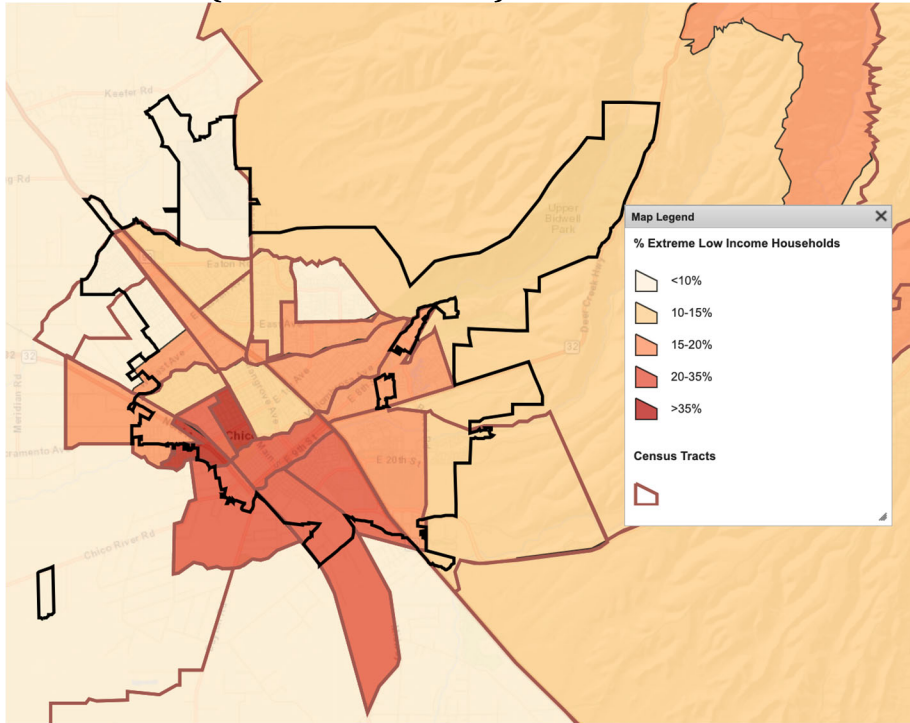
Percentage of Low Income Households within Census Tract at 80% AMI or below (Census 2018-2022)



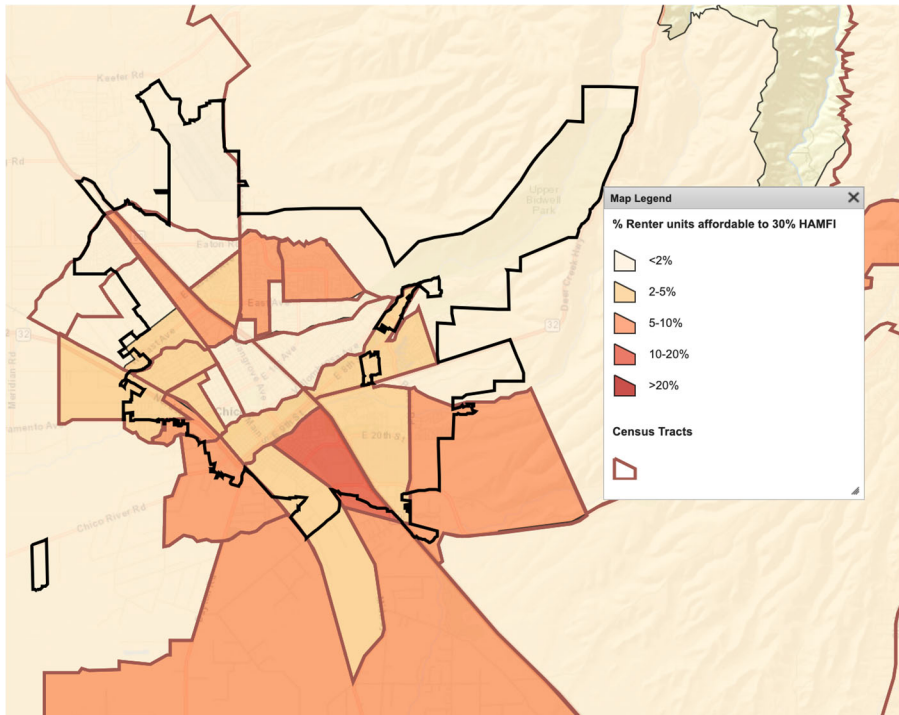
Percentage of Rental Units Affordable to Low-Income Households at 80% of AMI (Census 2018-2022)



Percentage of Extremely Low Income Households within Census Tract at 30% AMI or below (Census 2018-2022)



Percentage of Rental Units Affordable to Low-Income Households at 80% of AMI (Census 2018-2022)

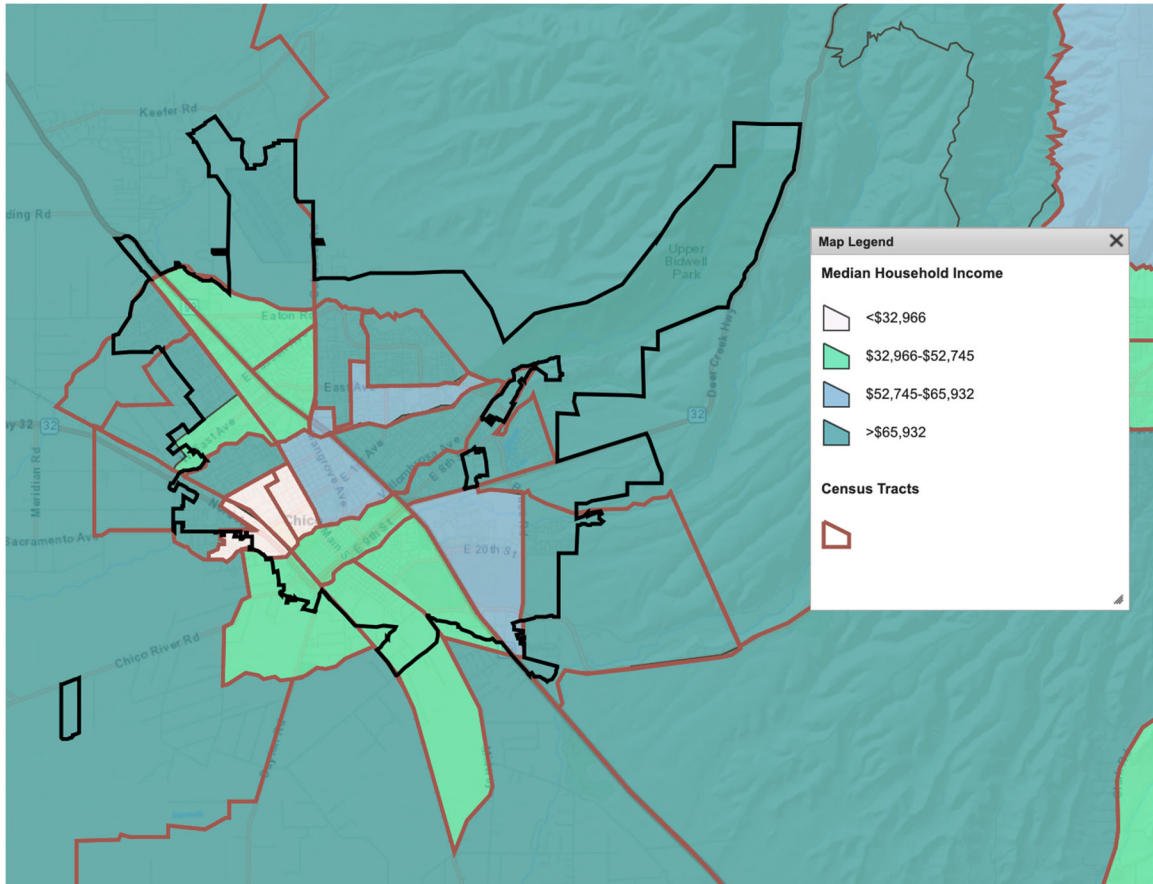


Census Tracts in which the Median Household Income (2022) qualifies as:

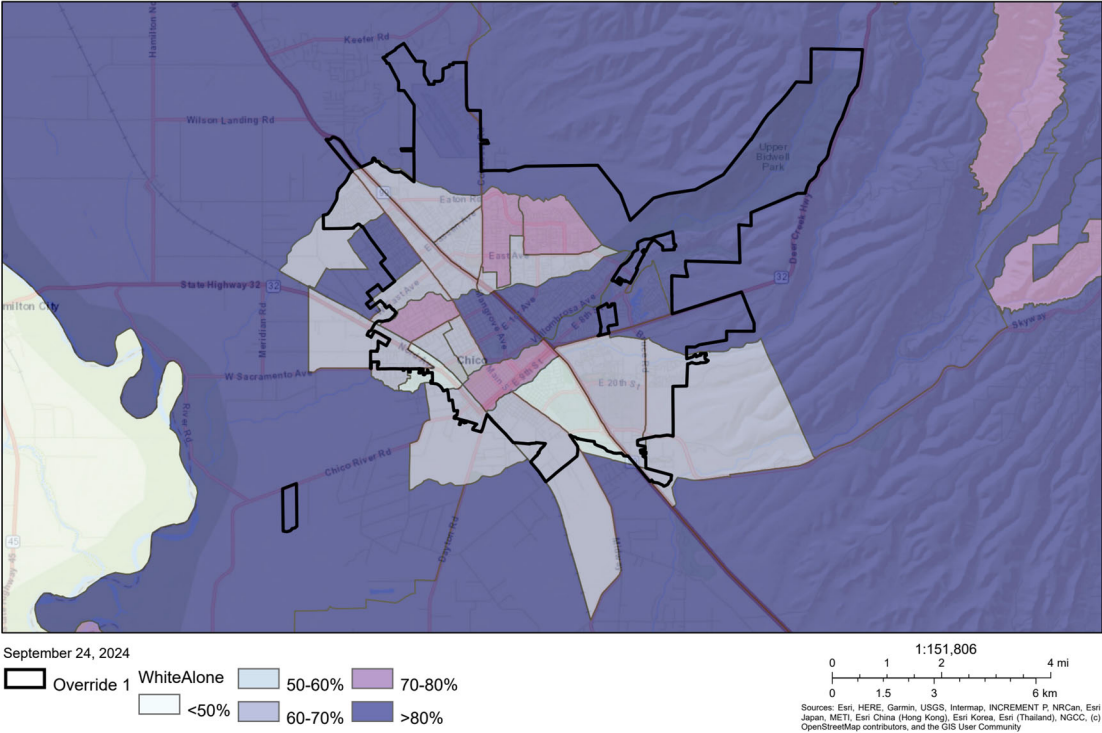
Very low income / Less than 50% AMI / < \$32,966

Low income / 50-80% AMI / \$32,966 - \$52,745

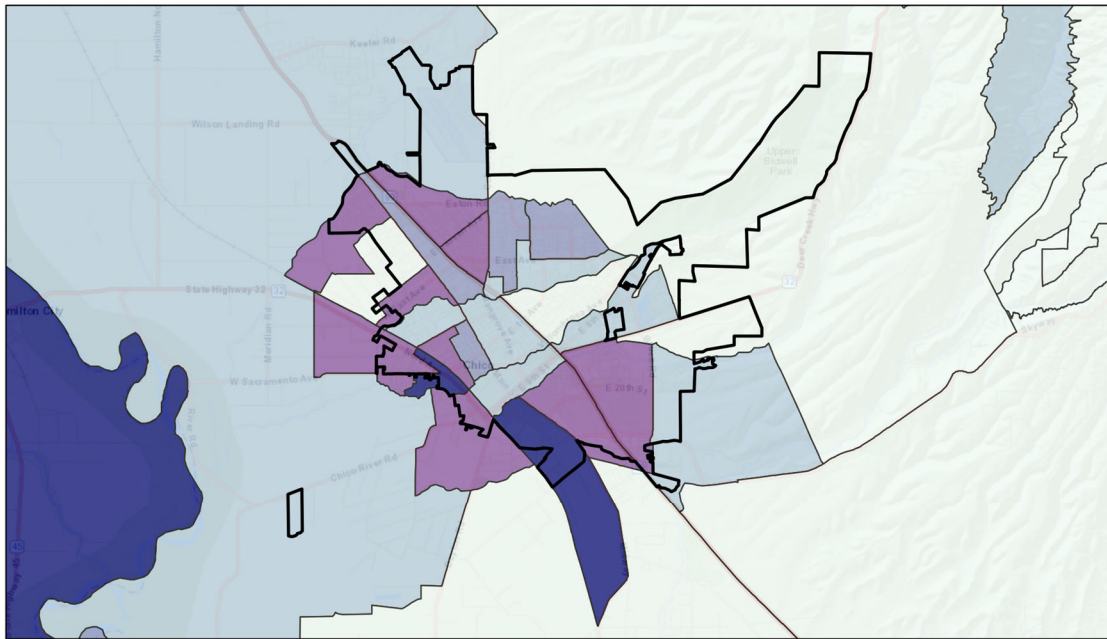
Moderate income / 80-100% AMI / \$52,745 - \$65,932



Percentage of White Households (Not Hispanic) - City of Chico



Persons of Hispanic Origin - City of Chico

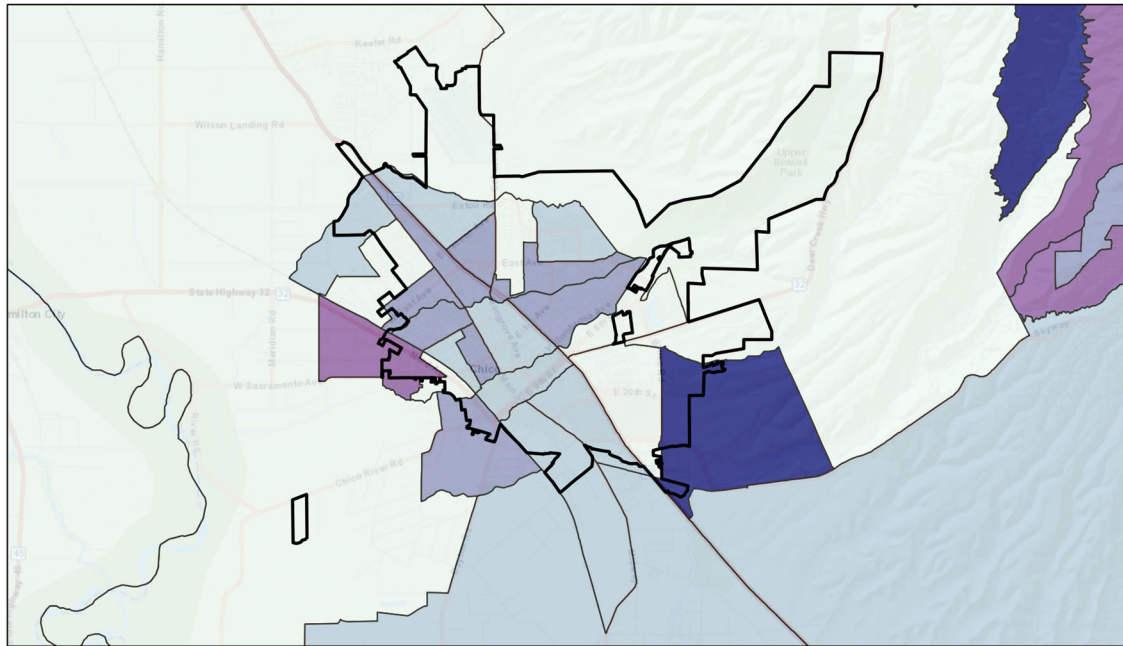


September 24, 2024

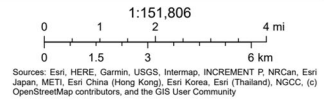
 Override 1
 HispanicOrigin
 <10%
 10-15%
 15-20%
 20-25%
 >25%

1:151,806
 0 1 2 4 mi
 0 1.5 3 6 km
 Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Persons of Two or More Races (not Hispanic) - City of Chico



September 24, 2024



Voucher Concentration, Locations of HUD and LIHTC Properties - City of Chico

